**Agenda Item No. 1** Application of **M/s Sanden Vikas India Ltd.,** Faridabad, for duty exemption for import of one Robotic Tube Bending machine from Japan to augment their capacity of production of hose and pipes needed for manufacture of non-ODS Mobile-Air Conditioners.

**M/s Sanden Vikas India Limited** is a large manufacturer of Mobile-Air Conditioners (MACs) using non-ODS refrigerant HFC-134a in India. They were one of pioneers to change over to non-ODS technology with the assistance of funding from Montreal Protocol Multilateral Fund. Their current production capacity is 600,000 MACs. Recently they introduced highly efficient energy saving variable compressors for which they received duty exemption assistance.

The company is now augmenting their production line for manufacture of hoses and pipes to cater to the increased demand for heat exchangers needed for MACs fitted with these compressors. For manufacture of hose and pipe assemblies they are importing one Robotic Tube Bending machine (details of which are given in the table below) and have applied for duty exemption for the same.

**TABLE**

| S. No. | Description of Equipment | Qty/ Unit | P. O No. / Supplier | Price in JPY | INR |
|---|---|---|---|---|---|
| 1. | Robotic Tube Bending Machine | 1 No | PMI-3022-A00-10 | 15,799,096 | 8,215,530 |
| | | | | **Total** | **8,215,530** |
| | | | | **Approx Duty @ 7.5%** | **616,164** |

The total cost of the machine is approximately Rs 82.2 Lacs and duty @ 7.5% on it would be approx. Rs. 6.2 Lacs. The purchase will be funded from their internal resources.

It may be mentioned that the Robotic Tube Bending machine is a dedicated machine and its installation will increase the production of heat exchanger assemblies for MACs very much.

The company has submitted all the necessary supporting documents.

The committee may be consider the application.

**Agenda Item No 2:** The Application of **M/s Pranav Vikas (India) Pvt. Ltd.,** for duty exemption for import of One Fin machine Die, One Brazing Furnace with Helium Leak Detection system and a Manual Core Assembly machine, all needed for manufacture of heat exchangers for MACs.

**M/s Pranav Vikas (India) Pvt. Ltd.**, located in Faridabad, is a large manufacturer of aluminum heat exchangers (condensers and evaporators) used in MACs. They supply these heat exchangers mainly to their sister company **M/s Sanden Vikas Limited**, but also to other MAC manufacturers.

**M/s Pranav Vikas (India) Pvt. Ltd.,** was one of the first company to receive financial assistance from Montreal Protocol Multilateral Fund to change over to heat exchangers suitable for non-ODs refrigerant HFC 134a by installing an automatic NOCOLOC brazing furnace technology.

The company has undergone expansion in stages receiving duty exemption assistance eight times earlier and is currently producing 600,000 heat exchangers annually. These are plate and fin type (PAF) heat exchangers which have better efficiency than earlier serpentine type.

M/s Pranav Vikas is now planning to increase their production capacity to 1,000,000 heat exchangers annually to cater to the increased demand from the car manufacturing industry. For this they are importing some more equipment (details of which are given in the table in next page) for which they have requested duty exemption assistance as these heat exchangers are designed for use with R-134a as the non-ODS refrigerant.

## Table

| S. No | Description of Equipment | Qty | P.O. No & Dated | Supplier | Cost in USD | Price in INR |
|---|---|---|---|---|---|---|
| 1 | Fin Machine | 1 No | PVPL/0193-A | Tianjin Tool Research Co. Ltd., China | 22,890/- | 1,064,385 |
| | Fin Die for PAF-50 | 1 No | | | 15,710 | 730,515 |
| 2 | Brazing Furnace | 1 No | PVPL/224 | Shinwon World Trading Co. Ltd., Korea | 240,000 | 11,160,000 |
| 3 | Industrial high Vacuum machine-Double Chamber Helium Leak Detection system. | 1 No | PVPL/0231 | Lxmation (Asia) Sdn. Bhd. Malaysia | 150,000 | 6,975,000 |
| 4 | Manual Core Assembly machine | 1 No | PVPL/0241 | Shinwon World Trading Co. Ltd., Korea | 60,000 | 2,790,000 |
| | | | | | **Total INR** | **22,719,900/-** |
| | | | | | **Duty payable @ 7.5%** | **1,703,992 Lacs** |

The total cost of these machines is Rs. 22,719,900/- (Rs. 2 crore 27 lacs approximately) and duty on it would be approx Rs. 17.04/- Lacs @ of 7.5%.

The machines being imported are dedicated for the manufacture of efficient type of heat exchangers (condensers and evaporators) for MACs. Similar machines had been approved for them earlier when they first received assistance form Montreal Protocol Multilateral Fund for changing to over to the use of R-134a from R-12 which they were using earlier.

The company has submitted proper purchase orders and other supporting documents.

The committee may consider the application.

**Agenda Item No. 3** The application of **M/s Bharat Seats Ltd.,** Gurgaon (Haryana), for duty exemption for import of one PU Head Rest Moulding line from Japan.

**M/s Bharat Seats Ltd.,** is one of the first joint ventures of Maruti Udyog Ltd., and M/s Rohit Relan and associates. It was started with the aim of producing car seats for Maruti Udyog Ltd. The share holding pattern of the company has undergone some changes with expansion and at present it is as follows:

| | | |
|---|---|---|
| Suzuki Motor Corporation, Japan | - | 14.81% |
| Maruti Suzuki India Ltd., | - | 14.81% |
| M/s Rohit Relan and Associates | - | 29.62% |
| Public | - | 40.76% |

Currently they are supplying 41% of the requirement of Maruti Suzuki India Ltd., mainly seating systems, moulded floor carpets and Head rest system. They also supply seats and frame assemblies for two wheelers of Suzuki Motor Cycles (India) Ltd.

Their main factory is conveniently located near the Maruti Complex, Gurgaon reducing transportation cost, time and inventory level.

The company was one of the earliest to change over to non-ODS technology with the assistance of Montreal Protocol Multilateral Fund and advise of Mr. Bert Veenandhal, UNDP expert. Subsequently they had undertaken three expansions and diversifications for which they received duty exemption assistance in 1999 and 2002 and more recently in 2009. This is their fourth application.

The company is now undertaking further expansion of the manufacture of **Car Head Rest System** matching with increased capacity of their seating systems for which they intend to import one more PU Head Rest Moulding line from Polymer Engineering Company (PEC) Ltd., Japan. This machine has been chosen as it is robotic in nature and automatically performs the multiple steps needed for the manufacture of Head Rest System using water as the foam blowing agent. A Data Monitoring system provided with

the machine keeps track of the various production processes, consumption of raw materials and various parameters to monitor the quality and productivity of the entire plant.

Once the plant goes on stream, their current capacity for head rest system will increase from 2,75,000 vehicles per annum to 600,000 vehicles per annum.

The details of the plant being imported is shown in the table below:-

| **Sl. No** | **Description of machinery** | **Qty** | **P.O. No & Date** | **Address of supplier** | **Cost in FOB** | **Cost in INR** |
|---|---|---|---|---|---|---|
| 1 | High Pressure Head Rest Foaming Machine | One set | 490049<br><br>Dated 26.12.09 | M/s Innoac International Co., Ltd.,<br><br>13-4, Meieki-minami 2 Chome, Nakamura-Ku-Nagoya, Japan 450-003 | 16,500,000 | 8,250,000 |
| | | | | | **Total cost Rs.** | 8,250,000/- Lacs |
| | | | | | **Duty payable @ 7.5%** | 618,750 Lacs |

The total cost of the machine is appox. Rs 82.5 Lacs and duty payable on it would be approx. Rs. 6.2 Lacs @ 7.5 %. The total cost of the project is Rs. 3.114 Crores. It will be funded from internal resources.

The company has submitted all the supporting documents.

The committee may consider the application.

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**Agenda Item No. 4** The application of **M/s Metecno (India) Pvt. Ltd., Chennai**, for duty exemption for import of PU foaming machine with accessories compatible with use of cyclopentane / isopentane for a continuous line PU foam sandwich panel making plant.

**M/s Metecno (India) Pvt. Ltd.,** is a part of a large Italian group called Metecno group having 21 factories and trading companies in 17 countries. They manufacture Euro class PU foam sandwich panels for the building industry.

In India, Metecno India started operations in December, 2005 as a subsidiary of Metecno SPA, Milan, Italy and is owned by the following share holders.

METECNO SpA (Milan) - 55%
and SIMEST SpA (Rome) - 45%

The company started manufacturing PU sandwich panels for all types of buildings including cold storages and telecom shelters from April, 2007 at Sriperumbudur, Tamil Nadu. The company is managed by a board of Directors of Indian and Italian origin.

For PU foam blowing in these sandwich panels, the company is using HCFC 141b. They are now aware that HCFCs are to be phased out in near future and have taken a voluntary decision to change over to cyclopentane or isopentane as the foam blowing agent in their works. **Their present foaming machine can not be retrofitted to handle safely cyclopentane which is highly inflammable**.

The company has therefore taken a decision to import a new foaming machine along with accessories and built in safety features compatible with the use of cyclopentane or isopentane and have requested for duty exemption for it. The details of the foaming machine being imported is given in the Table below.

**Table**

| **Sl No.** | **Equipment** | **Qty.** | **P.O. No. & Dated** | **Price in EURO** | **Price in INR** |
|---|---|---|---|---|---|
| 1 | Foaming machine & accessories (Equipment) compatible for using cyclopentane/ isopentane for sandwich panel continuous line, Model no. PDU -4 | 1 | 1780 Dated 06.02.10 | 160,500/- | 10,593,000/- |
| | | | | **Total** | **10,593,000/-** |
| | | | | **Approx Duty @ 7.5%** | **794,475/-** |

The cost of the foaming machine is approx. Rs. 10.6 Crores and duty payable on it would be approx. Rs 7.95 Lacs the total project cost for conversion to cyclopentane would be Rs. 14.723 Crores and it will be funded from their own resources.

The company has submitted all other supporting documents and this is their first application.

The committee may consider the application.