Minutes of the Technology and Finance Standing Committee (TFSC) Meeting held on Wednesday, 4th January, 2012 at 11:00 A.M. in the Conference Room of Delhi Management Association (DMA), Core 6A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi – 110 003.

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List of participants is attached as **Annexure - I.**

The Minutes of the TFSC meeting held on 17th August, 2011 were circulated to all the Members of the Committee. Since, no comments have been received, the Minutes were adopted.

Dr. A. Duraisamy, Director (O) and Member Secretary, TFSC welcomed the Members and informed that the Chairman Dr. B. Sengupta has been suddenly taken ill and would not be able to attend the Meeting. He has authorized to select a senior most member to Chair the Meeting. Accordingly the name of Mr. H.S. Kaparwan was purposed with consensus to Chair the Meeting. The Director (O) then apprised the Committee about the actions taken by the Ozone Cell on recommendations made by the TFSC in its meeting held on 17th August, 2011.

Action Taken: Approval of Chairman, Empowered Steering Committee (ESC) for Implementation of the Montreal Protocol was taken on file and duty exemption certificates were issued to M/s Krishna Maruti Ltd., and M/s Subros Ltd. The duty exemption certificate could not be issued to M/s Bharat Seats as the enterprise requested to defer the issuance of certificate due to delay in delivery of machinery.

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

The Committee then considered the following Agenda items:

Agenda Item No. 1: The application of the **M/s Delphi Automotive Systems Pvt. Ltd.,** Greater Noida (UP) for duty exemption for import of one each of Flame Braze Machine LG, Tooling to produce LG Condenser, Lancing Die LG, and project #3133 equipment with software and project 3200 QC equipment (two).

M/s Delphi Automotive Systems Pvt. Ltd., Greater Noida, a subsidiary company of Delphi Corporation, Michigan, USA, specializes as a diversified supplier of automotive components systems and modules. In India they manufacture Mobile Air Conditioner components like heat exchangers (condensers and evaporators), HVAC and MAC systems. The heat exchangers manufactured by them currently uses HFC – 134a but can use with little modification new low GWP refrigerants like R-1234YF and R - 410A gases.

The Company had recently imported 4 pieces of equipment for manufacture of heat exchangers for which they already received duty exemption assistance.

To augment the use of these main machinery, they are now importing three auxiliary machines and some testing softwares for which they have requested duty exemption.

The details of the equipment being imported now is given in the Table 1 :

Table 1

S. No.	Description of Equipment	Qty	P. O No. , Date	Price in US$ (FOB)	Price in INR
1	Flame Braze Machine LG	1	T1110811 Dated 09.08.2011	79,200/-	37,22,400/-
2	Tooling to produce LG Condenser	1	T111819 Dated 11.08.2011	1,30,000/-	61,10,000/-
3	Lancing Die LG • Lancing Die for LG condenser for Inlet & Outlet Manifold • Piercing Die LG • Baffle Slitting LG	 1 1 1	T1110817 Dated 10.08.2011	62,270/-	29,26,690/-
4	Project #3133 Equipment: • Refrigerant CMF25 Micro promotion with software integration • COP calculation – VSD change out with Torque integration • EXV box with stands alone controls Project #3200 QC Equipment and Services for Project #3200 Addl. RTD's	1 2	T1110722 Dated 06.07.2011	25,171/-	11,83,037/-
				Total	**1,39,42,127/-**
				Duty payable @ 7.5%	**10 lakhs/-**

The total cost of these imports is approximately 1.4 crores and it will be met from their own resources. Duty on it @ 7.5% would be about Rs 10 lakhs.

In addition to these 4 items of equipment, M/s Delphi Automotive Systems Pvt. Ltd., has also decided to import two additional pieces of equipment details of which are given in the Table 2 below :

Table 2

S. No.	Description of Equipment	Qty	P. O No. , Date	Price in US$ (FOB)	Price in INR
1	Muffle Body	1	T111140 Dated 28.11.2011	41,065/- US$	22,17,510/-
2	V W RAD Stacker	1	418704 Dated 05.12.2011	70,820/- FOB	38,24,280/-
				Total	60,41,790/-
				Duty payable @ 7.5%	4.5 lacs

Total cost of these two items is 60.2 lacs and duty on it @ 7.5% would be approx. 4.5 lacs.

In their presentation before the Committee the company representative mentioned that all these equipments are needed for the post brazing and testing stage of the total heat exchanger manufacturing process. It will also help them to indigenise their product by gradually replacing with properly tested local parts.

In reply to a question as to the eligibility of the software (item No 4 in the table 1), the company representative mentioned that it is essential for operating the hardware. They were asked to give a certificate properly justifying item no. 4 in the table. They have submitted the certificate clarifying the use of this software.

The Committee also considered that the two pieces of equipment (given in the table 2) are needed for proper working and storage of dies.

The total cost of imported equipments listed in Table1 & Table 2 is Rs1,99,83,917/ - and duty exemption on it @ 7.5% would be approximately Rs14,98,794/-

The Committee noted that all the required documents have been submitted by the company and recommended for duty exemption of the equipments listed at Table 1 and 2 above in accordance with the guidelines of the scheme.

Agenda Item No. 2: The application of **M/s Unity Appliances Ltd.,** for duty exemption for import of machinery for a plant being set up at Manamadurai (Tamil Nadu) to manufacture room air conditioners to meet increasing market demands.

M/s Unity Appliances Limited is a group company of M/s Videocon Industries. In order to meet market demand the company is starting manufacture

of air conditioners operating on R-410 –A as the refrigerant at their Manamadurai facilities. For this they are purchasing 59 pieces equipment, mostly second hand but some new, from **Middle East Appliances – OMAN and from China**. Details of the equipment being purchased are shown in the following Table :

Table

S. No	Equipment Name (All used items)	Qty	P.O. Order NO & Date	Total amount in USD	Total amount in INR
A					
1	Conveyor for Degreasing line	1 Nos	VI10/1C0U000937 Dated 10.01.2011	28,975/-	14,48,738/-
2	Degrasing line for coil	1 Nos	VI10/1C0U000937 Dated 10.01.2011	30,875/-	15,43,728/-
3	Auto Brazing Chamber	1 Nos	VI10/1C0U000937 Dated 10.01.2011	96,128/-	48,06,376/-
4	Air Compressor systems	1 Nos	VI10/1C0U000937 Dated 10.01.2011	17,788/-	8,89,382/-
5	Fork lift	1 Nos	VI10/1C0U000937 Dated 10.01.2011	8,487/-	4,24,333/-
6	Material movement stackers and cart with accessories Stacker Base Pan Trolley Trolley	1 lot 2 Nos 8 Nos 8 Nos	VI10/1C0U000937 Dated 10.01.2011	211/-	10,544/-
7	Hand Fork	17 Nos	VI10/1C0U000937 Dated 10.01.2011	13,800/-	6,90,023/-
8	Material Storage Racks	1 Set	VI10/1C0U000937 Dated 10.01.2011	1,046/-	52,300/-
9	Storage Racks	1 Set	VI10/1C0U000937 Dated 10.01.2011	378/-	18,900/-
10	Water Cooler – Blue Star	1 Nos	VI10/1C0U000937 Dated 10.01.2011	84/-	4,200/-
11	LCD Projector	1 Nos	VI10/1C0U000937 Dated 10.01.2011	440/-	21,983/-
12	Weighing Scale	1 Nos	VI10/1C0U000937 Dated 10.01.2011	328/-	16,389/-
13	Storage racks	1 set	VI10/1C0U000937 Dated 10.01.2011	14,755/-	7,37,741/-
14	AC system for Testing Room Assembly	1 set	VI10/1C0U000937 Dated 10.01.2011	2,815/-	1,40,755/-

S. No	Equipment Name (All used items)	Qty	P.O. Order NO & Date	Total amount in USD	Total amount in INR
15	Assembly Conveyor with charging machine, N2 generator & booster pump	1 set	VI10/1C0U000937 Dated 10.01.2011	2,84,239/-	1,42,11,965/-
16	Assembly Pallets	60 Nos	VI10/1C0U000937 Dated 10.01.2011	16,592/-	8,29,584/-
17	Bar code system	1 Nos	VI10/1C0U000937 Dated 10.01.2011	55,938/-	27,96,884/-
18	Indoor Unit for ODU Testing line	40 Nos	VI10/1C0U000937 Dated 10.01.2011	1,216/-	60,801/-
19	Insulated Cabin for performance test with accessories		VI10/1C0U000937 Dated 10.01.2011		
	Insulated Side Panel	1 Lot		5,570/-	2,78,490/-
	Insulated Glass Window	1 Lot		1,497/-	74,850/-
	Insulated Doors	1 Lot		210/-	10,512/-
	Insulated Top Panel	1 Lot		980/-	49,022/-
	Control Panel	1 Lot		250/-	12,510/-
	Receiver	1 Lot		272/-	13,600/-
	Table	1 lot		50/-	2,510/-
20	Lifter for pallet	2 Nos	VI10/1C0U000937 Dated 10.01.2011	58,782/-	29,39,099/-
21	Packing machine	3 Nos	VI10/1C0U000937 Dated 10.01.2011	28,443/-	14,22,145/-
22	Performance Room Conveyor & system	1 set	VI10/1C0U000937 Dated 10.01.2011	1,61,176/-	80,58,819/-
23	Pro Assembly	1 set	VI10/1C0U000937 Dated 10.01.2011	7,081/-	3,54,069/-
24	Test panels & cables	1 set	VI10/1C0U000937 Dated 10.01.2011	31,446/-	15,72,323/-
25	Vaccum Pump	24 Nos	VI10/1C0U000937 Dated 10.01.2011	39,407/-	19,70,334/-

S. No	Equipment Name (All used items)	Qty	P.O. Order NO & Date	Total amount in USD	Total amount in INR
26	Computer for Testing Conveyor of A/C assembly line	5 Nos	VI10/1C0U000937 Dated 10.01.2011	4,368/-	2,18,406/-
27	Leak Detector	2 Nos	VI10/1C0U000937 Dated 10.01.2011	7,433/-	3,71,655/-
28	CNC Condenser Bending machine	1 Nos	VI10/1C0U000937 Dated 10.01.2011	6,064/-	3,03,,220/-
29	Conveyor & Equipment	1 set	VI10/1C0U000937 Dated 10.01.2011	29,863/-	14,93,139/-
30	Digital Vernier	2 Nos	VI10/1C0U000937 Dated 10.01.2011	544/-	27,188/-
31	Push Pull Guage; Imada Japan	1 Nos	VI10/1C0U000937 Dated 10.01.2011	272/-	13,594/-
32	Wave Meter 20 AMP single phase	6 Nos	VI10/1C0U000937 Dated 10.01.2011	422/-	21,122/-
33	Pin Gauge set	1 Nos	VI10/1C0U000937 Dated 10.01.2011	222/-	11,076/-
34	Dail type torque wrench	1 Nos	VI10/1C0U000937 Dated 10.01.2011	238/-	11,882/-
35	Digital Anemometer	1 Nos	VI10/1C0U000937 Dated 10.01.2011	85/-	4,229/-
36	Magnetic ‘V’ Block	2 Nos	VI10/1C0U000937 Dated 10.01.2011	363/-	18,125/-
37	True- RMS Multi meter – fluke	1 Nos	VI10/1C0U000937 Dated 10.01.2011	453/-	22,648/-
38	Hardness Tester	1 Nos	VI10/1C0U000937 Dated 10.01.2011	70/-	3,499/-
39	Surface Table Grade I-	1 Nos	VI10/1C0U000937 Dated 10.01.2011	373/-	18,628/-
40	Surface Table stand	1 Nos	VI10/1C0U000937 Dated 10.01.2011	122/-	6,092/-
41	Vernier Height Gauge (Digital	1 Nos	VI10/1C0U000937 Dated 10.01.2011	564/-	28,195/-
42	Electronics weighing machine	1 Nos	VI10/1C0U000937 Dated 10.01.2011	60/-	3,021/-
43	Leack Detecting system with helium	1 Nos	VI10/1C0U000937 Dated 10.01.2011	2,54,615/-	1,27,30,772/-
44	Connecting Forming M/C	1 Nos	VI10/1C0U000937 Dated 10.01.2011	7,573/-	3,78,644/-

S. No	Equipment Name (All used items)	Qty	P.O. Order NO & Date	Total amount in USD	Total amount in INR
45	Automatic Coiled Tube cutting machine	1 Nos	VI10/1C0U000937 Dated 10.01.2011	77,560/-	38,78,016/-
B	**AUTOMATIC POWDER PAINTING SYSTEM (All used items)**				
1	Automatic Powder Painting system Pre – treatment Automatic powder booth Oven Conveyor	1 set	VI10/1C0U000940 Dated 10.01.2011	6,11,334/-	3,05,66,682/-
2	Cabinet Bending machine	1 Nos	VI10/1C0U000940 Dated 10.01.2011	29,206/-	14,60,291/-
3	Spot Welding M/C	1 Nos	VI10/1C0U000940 Dated 10.01.2011	2,490/-	1,24,489/-
4	Welding Machine	5 Nos	VI10/1C0U000940 Dated 10.01.2011	240/-	12,015/-
5	Drilling machine	1 Nos	VI10/1C0U000940 Dated 10.01.2011	514/-	25,702/-
6	Grinding machine	1 Nos	VI10/1C0U000940 Dated 10.01.2011	25/-	1,257/-
7	AC pulse spot welder	1 Nos	VI10/1C0U000940 Dated 10.01.2011	2,109/-	1,05,449/-
C	**TOOLS & DIE (All used items)**				
1	Tool & Die, Cabinet Cutting, WAC	1 Nos	VI10/1C0U000941 Dated 10.01.2011	222/-	11,075/-
2	EPS Moulds	1 Nos	VI10/1C0U000941 Dated 10.01.2011	3,534/-	1,76,691/-
3	EPS mould for T3 WAC Evaporator air guider	1 Nos	VI10/1C0U000941 Dated 10.01.2011	6,842/-	3,42,078/-
D	**FIN LINE (All used items)**				
1	Fin Press machine GC 60 TON: Fin Decoiler, oil & Initial feeding unit, Fin press main body, Suction & unloading unit & Moving stacker	1 set	PM/0005/11-12	3,79,714/-	1,89,85,684/-
2	Vertical Expander : 7 mm	1 set	PM/0005/11-12	75,968/-	37,98,378/-
3	Automatic Hair Pin Bending machine : 1250 X 6 Tubes	1	PM/0005/11-12	89,001/-	44,50,061/-

S. No	Equipment Name (All used items)	Qty	P.O. Order NO & Date	Total amount in USD	Total amount in INR
4	Fin Die	1	PM/0005/11-12	4,21,055/-	2,10,52,742/-
			Total	**2,92,2773/-**	**14,61,38,653/-**
				Duty payable @ 7.5 %	**1,09,60,399/-**

The total cost of imported equipment is Rs. 14.62 crores and duty on it @ 7.5% would be approximately Rs. 1.1 crores.

In their presentation before the Committee the representative of the company explained in detail about the used items procured from OMAN for setting up the plant for manufacture of air conditioners. He also mentioned that the site at Manamadurai has been chosen for the plant because of assistance from the State Government.

The Committee noted that

(1) Purchase orders in Para D of the Table should be corrected from PM/0005/11-12 to PM/0011/11-12.

(2) The following items indicated in the list of equipment are easily available from local sources and need not have been imported.

Sr. no A	6	Material movement stackers and cart with accessories, Stacker Base Pan Trolley Trolley
	7	Hand Fork
	8	Material Storage Racks
	9	Storage Racks
	10	Water Cooler – Blue Star
	13	Storage racks
	21	Packing machine
	40	Surface table stand
Sr. no B	5	Drilling Machine

The Committee therefore decided not to include these items for granting duty exemption. Accordingly the revised cost of equipment works out to be Rs 14,31,71,006 /- at which the duty exemption of 7.5% works out to be Rs. 1,07,37,825/-

The Committee noted that all the required documents have been submitted by the company and recommended the list of equipments excluding

the items referred at para 2 above sr. no A and sr. no B for duty exemption in accordance with the guidelines of the scheme.

Agenda Item No. 3: The application of **M/s LG Electronics India Pvt. Ltd.,** for duty exemption for import of some machineries needed for manufacture of refrigerators suitable for non-ODS technology in their expansion programme at Ranjangaon, Pune.

M/s LG Electronics India Pvt. Ltd., is a large manufacturer of Direct Cool and Frost Free refrigerators in India having their plant at Greater Noida (U.P) and at Ranjangaon, Pune. Products from both plants use non-ODS technology ie, HFC-134a the refrigerant and HCFC-141b as the foam blowing agent. Aware of the defects of early non-ODS refrigerant HFC 134a and the early foam blowing agent HCFC-141b, the company is changing over to Isobutane as the refrigerant and cyclopentane as the foam blowing agent. They have converted their earlier plants to the use of Isobutane and Cyclopentane.

They are now expanding their refrigerator production at Ranjangaon plant, Pune and need to increase the production of refrigerator body by importing some machinery for which they have requested duty exemption assistance. The details of the machinery being imported is shown in the following Table :

Table

S. No.	Description of equipment	Qty	P.O No, & Date	Total amount in (FOB value)	Total CIF cost (Rs. In lacs)
1	Vaccum Pump Assembly (To create vaccum in Refrigerant circuit by removing moisture, air etc.)	10 Set	LGEIL/Pun/I/PE/ PO/008A/11 27th August, 2011	85,553/- USD	39,01,217/-
2	Refrigerator Assembly Line (moving equipments and conveyor for Assy of Refrigerator) ***Annex – II***	1 set	LGEIL/Pun/I/PE/ PO/036A/11 30th July, 2011	12,20,300/- USD	5,56,45,680/-
3	Pipe line for Case and Door Foaming (Pipe line used for foaming process for Chemical i.e also and Polyol)	1 set	LGEIL/Pun/I/PE/ PO/038A/11 2nd August, 2011	70,298/- USD	32,05,589/-
4	Structure for Mezzanine Assembly (Stand, Anchors, Plates, Fencing used in the Assembly Line for Ref)	1 set	LGEIL/Pun/I/PE/ PO/049A/11 24th August, 2011	1,61,500/- USD	73,64,400/-
5	Parts for Refrigerator Assembly line (Driver roller, Slat conveyor, Busbar etc for the Assy. Of Ref.) ***Annex – III***	6 set	LGEIL/Pun/I/PE/ PO/053A/11 26th August, 2011	47,000/- USD	21,43,200/-
6	Parts of Cold Roll Forming machine, consisting Sheet Feeder Trolley and Hook system (used in cabiner line for bending of PCM sheet) ***Annex – IV***	2 set	LGEIL/Pun/I/PE/ PO/052A/11 25th August, 2011	24,000/- USD	10,94,400/-

S. No.	Description of equipment	Qty	P.O No, & Date	Total amount in (FOB value)	Total CIF cost (Rs. In lacs)
7	Parts for Door Foaming machine (for foaming of the front door of Ref.) ***Annex – V***	1	LGEIL/Pun/I/PE/ PO/035A/11 29th July, 2011	7,67,000/- USD	3,49,75,200/-
8	Refrigerator Charging machine (for charging Refrigerant in the Compressor, R – 600a Isobutane) ***Annex – VI***	1	LGEIL/Pun/I/PE/ PO/033A/11 28th July, 2011	1,01,500/- USD	46,28,400/-
9	Evacualtion Line Conveyor (for Convyor used for feeding Vaccum Pump in Ref Assy. Line) ***Annex – VII***	2	LGEIL/Pun/I/PE/ PO/047A/11 23rd August, 2011	50,751/- USD	23,14,246/-
10	Parts of Case Foaming Machines (for foaming in cabinet of Ref. (back side of Ref.) ***Annex – VIII***	1	LGEIL/Pun/I/PE/ PO/037A/11 30th July, 2011	1613000/- USD	73552800/-
11	Cold Rolled Forming machine (Complete line used for bending of PCM sheet) ***Annex – IX***	1	LGEIL/Pun/I/PE/ PO/038A/11 30th July, 2011	8,66,900/- USD	3,95,30,640/-
12	Foaming machine (machine for pouring the chemical in the Ref, in cabinet and door, Iso and Polyol) ***Annex – X***	1	LGEIL/Pun/I/PE/ PO/039A/11 1st August, 2011	8,25,751/- EURO	5,39,21,540/-
				Total amount	**28,22,77,312/-**
				Duty payable @ 7.5%	**2,11,70,798/-**

The machinery being requested for import are of general manufacturing type.

The total cost of the project is Rs. 28.25 Crores which will be financed from their internal sources and Duty on it @ 7.5% would be 2.12 crores.

The company will be using the non-ODS refrigerant Isobutane (R-600a) and the non-ODS foam blowing agent cyclopentane both for door and body insulation foam. For storing these hydrocarbons with fire hazard they have made adequate safety arrangements certified by the Directorate of Explosives, Govt. of India, Nagpur. They have also taken Pollution Control certificates from local authorities.

In their presentation before the Committee the company explained the need for each item of machinery being imported. They explained in detail how the incorporation of a mezzanine floor in the assembly line (item no. 4) will greatly improve their manufacturing facility. The Committee asked them to give a certificate regarding the use of the mezzanine floor which they have submitted. The certificate clarifies the use of the mezzanine floor.

The Committee noted that all the required documents have been submitted by the firm and recommended the application for duty exemption in accordance with the guidelines of the scheme and recommended the application for duty exemption.

Agenda Item No. 4 The application of **M/s SATA Vikas India Pvt. Ltd.,** for duty exemption for import of equipment required for manufacture of automotive air-conditioning compressors suitable for non – ODS refrigerants.

M/s SATA VIKAS India Pvt. Ltd., a joint venture between SATA s.p.a. of Italy and Sanden Vikas (India) from 2007, is reputed for precision machining of components of automotive air conditioning compressors like cylinder blocks, cylinder heads, front housing etc. The company is now importing 12 pieces of machinery to augment their capacity to manufacture some components of new models of MAC compressors using R-134a. The details of the machinery being imported is shown in the following Table :

TABLE

S. No.	Description of Equipment	Qty/ Unit	P. O No. & Date	Price in JPY, USD and SGD	Price in INR
1	Brother make vertical CNC Tapping centre with rotary.	6	P1-000018.6 Dated 24.08.2011	3,90,00,000/- JPY	2,57,79,000/-
2	Brother make vertical CNC Tapping centre without rotary.	2		1,14,00,000/- JPY	75,35,400/-
3	Haas Turnmill centre machine	1	P1-000026.3 Dated 14.09.2011	74,000/- USD	37,03,700/-
4	Visual quick code software rigid tapping robot ready interface	1	P1-000028 Dated 21.09.2011	6,000/- USD	3,00,300/-
5	Super speed vertical machining center	1	P1-000024.2 Dated 06.09.2011	1,05,000/- USD	52,55,250/-
6	Mazak 5280 CNC vertical machining center	1	P1-000020.3 Dated 24.08.2011	1,32,00,000/- JPY	87,25,200/-
7	Robotic interface Automatic door open close	1	P1-000020.3 Dated 24.08.2011	7,70,000/- JPY	5,08,970/-

S. No.	Description of Equipment	Qty/ Unit	P. O No. & Date	Price in JPY, USD and SGD	Price in INR
8	Taiwam Takisawa CNC Lathe machine	5	P1-000025.2 Dated 11.09.2011	2,75,000/-	1,37,63,750/-
9	Six Axis Robot M20iA	5	P1-000034.1 Dated 22.10.2011	153,75,000/-	1,01,62,875/-
10	Six Axis Robot M710iC	2	P1-000034.1 Dated 22.10.2011	73,00,000/-	48,25,300/-
11	Robotic interface automatic door open close	1	P1-000027 Dated 16.09.2011	9,250/-	3,68,150/-
12	Robotic interface	2		9,250/-	368,150/-
				Total	**8,12,96,045/-**
				Duty payable @ 7.5%	**60,97,203.3/-**

The total cost of these machines is Rs. 8.13 crores and duty on it @ 7.5% would be approximately Rs. 61 lacs. The cost of this expansion would be met from their own resources.

In their presentation before the Committee the company representative explained the need for importing these equipments for their capacity expansion satisfactorily.

The Committee noted that all the required documents have been submitted by the firm and recommended the application for duty exemption in accordance with the guidelines of the scheme.

Agenda Item No. 5

The Application of **M/s Sanden Vikas India Ltd.,** Faridabad, for duty exemption for import of STR assembly subline, STR assembly main line, finish line, tooling and spare part needed for manufacture of T R Compressors for mobile air conditioners.

M/s Sanden Vikas India Limited is a manufacturer of Mobile-Air Conditioners (MACs) using non-ODS refrigerant HFC-134a. They were one of the pioneers to change over to non-ODS technology with the assistance of funding from the Multilateral Fund of the Montreal Protocol. Their current production capacity is750000 MACs. Recently they have introduced highly efficient energy saving variable compressors and received duty exemption assistance.

In their efforts for continuous improvement the company is now introducing TR-compressors which are far more efficient as compared to other

type of compressors in the market. In order to start manufacture of this new type of compressors they are importing initially some assembly lines to assemble the compressors from imported components. The list of assembly lines is shown in the following Table :

TABLE

S. No.	Description of Equipment	Qty/ Unit	P. O No. & Date	Price in Yen	INR
1.	STR Assembly sub line	1 Set	SVL/PE/2011-12 Dated 16/07/2011	6,38,82,000/-	4,20,93,802/-
2.	STR Assembly main line	1 Set		5,15,80,000/-	3,40,94,380/-
3.	STR Assembly Pumping Test line	1 Set		3,69,79,000/-	2,44,43,119/-
4.	STR Assembly Finish line	1 Set		4,79,60,000/-	3,17,01,560/-
5.	QC Tooling & spare parts	1 Set		1,62,70,000/-	1,07,54,470/-
For details see attached facility list for each line.					
				Total	**14,30,87,331/-**
				Approx Duty payable @ 7.5%	**1,07,31,549.8/**

The total cost of the assembly lines is Rs 14,30,87,331/- (Rs. fourteen crores thirty one lacs). Duty on it @ 7.5% on it would be approx. Rs. 1.1 crores which will be met from their own accruals.

In their presentation before the Committee the company representative explained in detail the need for introducing scroll type compressors for MACs as these are highly efficient. The company will be initially assembling the compressors (TR Type) from imported components which will be manufactured indigenously later and hence the need for assembling lines.

The Committee noted that all the required documents have been submitted by the firm and recommended the application for duty exemption in accordance with the guidelines of the scheme.

Detailed Facility List

Item #	Machine Name	Qty.	Amount in Yen
Sub Line			
SVL STR – 0010	Insertion machine # 1	1	66,52,000
SVL STR – 0020	Sub Line Conveyor	1	33,86,000
SVL STR – 0030	Sub Line Pallet	20	95,29,000
SVL STR – 0040	Bearing Inner Diameter Measurement machine	1	32,55,000
SVL STR – 0050	Eccentric Bushing Insertion & Rivet Staking machine	1	61,31,000
SVL STR – 0060	Location Pin Insertion machine	1	48,24,000
SVL STR – 0070	Valve Fixed Bolt Tightening Station	1	20,13,000
SVL STR – 0080	Crescent Snap Ring Installation station	1	18,17,000
SVL STR – 0090	Thrust Piate Select machine	1	83,40,000
SVL STR – 0100	Pressure Relief Valve Tightening Station	1	24,05,000
SVL STR – 0110	Bolt Preset Station	1	6,40,000
SVL STR – 0120	Bolt Tightening Station	1	12,94,000
SVL STR – 0130	Control Box – 1	1	33,99,000
SVL STR – 0140	Control Box – 2	1	33,99,000
SVL STR – 0150	Control Box – 3	1	33,99,000
SVL STR – 0160	Control Box – 4	1	33,99,000
			6,38,82,000/-
Main Line			
SVL STR – 0200	Main Line Conveyor	1	19,09,000
SVL STR – 0210	Main Line Pallet	20	23,62,000
SVL STR – 0220	Bolt Preset Station	1	8,50,000
SVL STR – 0230	Bolt Tightening Station	1	13,07,000
SVL STR – 0240	Lip Seal & Lip Seal Ring Installation Station	1	22,22,000
SVL STR – 0250	Shaft Torque Check Machine	1	34,64,000
SVL STR – 0260	Helium Charge Machine	1	62,75,000
SVL STR – 0270	Helium Leak Check loading Station	1	6,54,000
SVL STR – 0280	Helium Leak Check Machine	1	1,78,96,000
SVL STR – 0290	Helium Pressure check & release machine	1	52,29,000
SVL STR – 0300	Control Box – 5	1	47,06,000
SVL STR – 0310	Control Box – 6	1	47,06,000
			5,15,80,000
Pumping Test Line			
SVL STR – 0400	Pumping Test Line Conveyor	1	36,47,000
SVL STR – 0410	Pumping Test Line Pallet	12	33,83,000
SVL STR – 0420	Pumping Test Machine	1	1,13,60,000
SVL STR – 0430	Isoration Jig Removal Station	1	15,55,000

SVL STR – 0440	Oil Charge Machine	1	63,27,000
SVL STR – 0445	Manual Cleaning Station & Nitrogen Charge machine	1	22,88,000
SVL STR – 0450	Silicon Dispenser Machine	1	30,59,000
SVL STR – 0460	Control Box – 7	1	53,50,000
			3,69,79,000
Finish Line			
SVL STR – 0500	Finish Line Conveyor	1	39,09,000
SVL STR – 0510	Finish Line Pallet	25	22,08,000
SVL STR – 0520	Core Assembly Station	1	22,09,000
SVL STR – 0530	Rotor & Shaft Bearing Insertion Machine	1	40,40,000
SVL STR – 0540	Clutch Shim Selection Station	1	41,70,000
SVL STR – 0550	U – nut Tightening machine	1	35,17,000
SVL STR – 0560	Gap Measurement Machine #1	1	41,70,000
SVL STR – 0570	Vanishing machine	1	57,39,000
SVL STR – 0580	Clutch Torque Check machine	1	54,77,000
SVL STR – 0590	Gap Measurement machine # 2	1	41,70,000
SVL STR – 0600	Final appearance Check & Unloading Station	1	23,39,000
SVL STR – 0610	Control Box – 8	1	30,06,000
SVL STR – 0620	Control Box – 9	1	30,06,000
			4,79,60,000

Agenda Item No. 6 The application of **M/s Subros Ltd., New Delhi,** for duty exemption for import of 7 sets of additional manufacturing equipment for manufacturing new type of R.S. Evaporators for Mobile Air-Conditioners at Noida (U.P.)

M/s Subros Ltd., is the largest manufacturer of car air-conditioners in India having their plants at Noida (U.P.), IMT Manesar (Haryana) and at Pune (Maharashtra). They are OEM supplier to different brands of cars. In collaboration with M/s DENSO the company has been always innovating and introducing better components leading to better products in their manufacturing process.

In their continuous quest for improvement, M/s Subros introduced a new type of evaporators, called R S evaporator in their MAC system about a year back. These evaporators made of precoated Aluminium parts are very light and ultra thin and highly efficient in energy saving. The company has decided to introduce R S evaporators for MACs supplied to all their customers. They are therefore establishing a very large scale manufacturing facility for RS evaporators at their Noida plant and for this they imported 24 sets of equipment earlier for which they received duty exemption assistance.

While setting up these extra equipment they needed seven more auxiliary pieces of equipment in the same plant for expansion of both fin forming and evaporator sections. They are now importing these 7 pieces of equipment details of which may be seen in the following Table:

Table

S. No.	Description of eqpt.	Qty	P.O No, & Date	Total amount in (FOB/CIF value)	Total CIF cost (Rs. In lacs)
1	Core Assembly machine for SFA II	3 sets	7200000401 Dated 06.09.2011	4,01,800/- USD	1,84,82,800/-
2	Sheet Metal Insertion/chip flaring machine	3 sets	7200000403 Dated 15.09.2011	3,64,42,500/- JPY	2,04,07,800/-
3	SFA II Fin Forming machine	1 set	7200000404 Dated 22.09.2011	3,91,82,750/- JPY	2,19,42,340/-
4	He Leak Test machine SFA II	1 set	7200000423 Dated 26.11.2011	1,60,00,000/- JPY	89,60,000/-
FOR CAPACITY EXPANSION					
5	R S Evaporator Fin Forming Machine SB190042 27072011 – 2	1 set	7200000418 Dated 20.10.2011	4,17,19,600/- JPY	2,33,62,976/-

S. No.	Description of eqpt.	Qty	P.O No, & Date	Total amount in (FOB/CIF value)	Total CIF cost (Rs. In lacs)
6	R S Evaporator Core assembly machine DMCZ design SB170045 27072011 – 1	1 set	7200000419 Dated 20.10.2011	2,57,86,600/- JPY	1,44,40,496/-
7	R S Evaporator Plate Head assembly machine DMCZ design SB190043 21072011 – 3	1 set	7200000420 Dated 20.10.2011	2,42,04,600/- JPY	1,35,54,576/-
				Total	**12,11,50,988/-**
				Duty payable @ 7.5%	**90,86,324.10**

The total value of these 7 pieces of equipment is approximately Rs. 12.11 crores and will be met from their own accruals. Duty on it @ 7.5% would be Rs. 90 lacs.

In their presentation before the Committee the need for importing these 7 pieces of machinery to meet the production target of both fin forming and evaporator manufacturing sections, were explained.

The Committee noted that all the required documents have been submitted by the firm in accordance with the guidelines of the scheme and recommended the application for duty exemption.

Annexure – I

List of Participants

1	**Mr. H. S. Kaprwan**, Retd. Additional Director (DRDO), C-127, Sector 51, Kendriya Vihar, Noida – 200 1307 Ph : 9891597792	Member
2	**Dr. Kiran Pal**, Joint Director, Centre for Fire, Explosive & Environment Safety, Defence Research & Development Organisation, Ministry of Defence, Brig. S.K. Mazumdar Road, Timarpur, Delhi – 110 054	Member
3	**Mr. Kamal Sharma**, CII Centre of Excellence for Sustainable Development, Confederation of India Industry (CII), Thapar House, 2nd Floor, 124, Janpath, New Delhi – 110001	Member
4	**Dr. Izzatullah**, Director (Chem), O/o DC (SSI), Ministry of Micro, Small & Medium Enterprises, Room No. 702, Nirman Bhavan, New Delhi – 110 011	Member
5	**Mr. Suresh Kumar,** Consultancy Development Centre, India Habitat Centre, Lodhi Road, New Delhi – 110 003 Ph. 24648268	Member
6	**Mr. Gyan Bhushan,** OSD (Custom), Central Board of Excise & Customs, Department of Revenus, Ministry of Finance, North Block	Member
7	**Prof. R.S. Agarwal,** Senior Advisor and Coordinator, Sector Phase-out Plan Unit (SPPU), Ozone Cell, Ministry of Environment and Forests, Core IV B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 003	(special invitee)

8	**Mr. S.V. Subba Rao** National Program Manager, Sector Phase-out Plan Unit (SPPU), Ozone Cell, Ministry of Environment and Forests, Core IV B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110 003	(Special invitee)
9	**Mr. Ringkhang Muchahary** Technical Officer - SPPU Ministry of Environment and Forests, Core IV B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	(Special invitee)
10	**Mr. Fahad Naim** Technical Officer - PMU Ministry of Environment and Forests, Core IV B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	(Special invitee)
11	**Ms. Chanchal Sharma** Technical Officer - PMU Ministry of Environment and Forests, Core IV B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	(Special invitee)
12	**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	Consultant
13	**Dr. A. Duraisamy**, Director (Ozone Cell), Ministry of Environment and Forests, Core IV B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	Member Secretary

Annexure –II

M/s LG Electronic India Pvt. Ltd.,

P.O. No. LGEIL/Pun I/PE/PO/036A/11 **dated** 30th July, 2011

Sl. No	Item Description	Specifications	Qty (Set)
1	Refrigerator Assembly Line Details		1
A	**Before Foaming – Line Before Vacuum**	(A~b – ZONE)	
	1. Tilting Kolo C/V	1000W*3000L	
	2. Drive R/C	1000W*500H*1150L	
	3. Drive R/C (P/U)	1000W*500H*1350L	
	4. Drive R/C	1000W*500H*1030L	
	5. Drive R/C(4 sides C/U)	1000W*500H*1350L	
	6. Drive R/C (C/D)	1000W*500H*1200L	
	7. Drive R/C	1000W*500H*1125L	
	8. Auto L/T	3390W*7000H*1340L	
	9. Curve R/C (90^o)	1200W*500H*1285L	
	10. Drive R/C	1000W*500H*1125L	
	11. Drive R/C	1000W*500H*1200L	
	12. Curve R/C (90^o)	1200W*500H*1285L	
	13. Drive R/c	1200W*500H*1125L	
	14. Drive R/C	1000W*500H*1125L	
	15. Traverser Car	1000W*500H*1200L	
	16. Drive R/C	1000W*500H*1350L	
	17. Drive R/C (P/U)	1000W*500H*1125L	
	18. Drive R/C	1000W*500H*1125L	
	19. Drive R/C (C/D)	1000W*500H*1200L	
B	**Before Vacuum, Vacuum, Line After Vacuum (C-Zone)**		
	1. Slat C/V	1000W*500H*36M	
	2. Slat C/V	1000W*500H*37M	
	3. Free Flow C/V (D)	1000W*500H*37ML	
	4. Chain R/C (S/T)	1000W*500H*6600L	
	5. Drive R/C (pitch maker)	1000W*500H*900L	
	6. Slat Conveyor	1000W*500H*44.21ML	
	7. Vacuum Run F.F C/V, Slat C. V Motor		
C	**Before L.Q.C – Line Before Packing (D-zone)**		
	1. Drive R/C	1000W*500H*1200L	
	2. Drive R/C (P/U)	1000W*500H*1200L	
	3. Accum R/C (S.T)	1000W*500H*4050L	
	4. Slat C/V (L.Q.C)	1000W*500H*67ML	
	5. Curve R/C (180^o)	1200W*500H*2442R	
	6. Trolley C/V (L.Q.C)	NZ75*150ML	
	7. Drive R/C	1000W*500H*1290L	

	8. 90^{o} Turn R/C	1000W*500H*1200L	
	9. Curve R/C (90^{o})	1200W*500H*1285R	
D	**Packing & Output Line (E-Zone)**		
	1. Drive R/C		
	2. Drive R/C (P/U)	1000W*500H*1200L	
	3. Drive R/C	1000W*500H*1200L	
	4. Chain R/C (S/T)	1000W*500H*1200L	
	5. Drive R/C (P/U)	1000W*500H*6000L	
	6. Drive R/C	1000W*500H*1000L	
	7. Vertical P.P Band M/C	1000W*500H*1000L	
	8. Drive R/C		
	9. Drive R/C	1000W*500H*1615L	
	10. Accum R/C (S.T)	1000W*500H*1000L	
	11. Accum R/C (S.T)	1000W*500H*3200L	
	12. Traverser Unit	1000W*500H*3526L	
	13. Horizontal P.P. Band M/C	6800S.T	
	14. Puser Unit		
	15. Span for Installation + Pusher M/C	1100S.T	
	16. Traverser (Span) for loading product		
	17. Pallet Input Unit		
	18. Drive R/C		
	19. Drive R/C	1600W*1600L	
	20. Free R/C	1600W*2600L	
	21. Drive R/C	1600W*1600L	
	22. Pallet Magazine (Dispensor)	2010W*1750L	
E	**Others**		
	1. Reinforcing the existing line (Roller, Gear, etc.)		
	2. Safety fence & guide		
	3. Gas piping		
F	**Electric Part**		
	1. Pre – Assemble Line		
	2. U/Down lift		
	3. Input Buffer Line		
	4. Vaccum Line		
	5. LQC line		
	6. Packing line		
	7. Output Buffer Line		
	7-1. Palletizer		
	7-2. Output Buffer & Palletizer (Old Panel)		
	8. Andon & Production Board (option 1)		

Annexure –III

M/s LG Electronic India Pvt. Ltd.,

P.O. No. LGEIL/Pun I/PE/PO/053A/11 **dated** 26th August, 2011

Sl. No	Item Description	Specifications	Qty (Set)
	Parts for Refrigerator Assembly line:		
1	Drive Roller Conveyor	1000W*500H*1000L (Pitch Maker)	1
2	Trolley Conveyor	6M	1
3	Slat Conveyor	6M	1
4	Busbar	6M	1
5	Trolley Conveyor Support		1
6	Packing Line Buffer Free Roller Convey (10M(L))		1

Annexure – IV

M/s LG Electronic India Pvt. Ltd.,

P.O. No. LGEIL/Pun I/PE/PO/052A/11 **dated** 25th August, 2011

Sl. No	**Item Description**	**Specifications**	**Qty (Set)**
	Parts for CRF Machine		
1	CRF Sheet Feeder Trolley roller type	New	1
2	Sheet Hook System	New	1

Annexure – V

M/s LG Electronic India Pvt. Ltd.,

P.O. No. LGEIL/Pun I/PE/PO/035A/11 **dated** 29th July, 2011

Sl. No	Item Description	Specifications	Qty
1	**Parts for Door Foaming machine :**		
	Patemoster Driving Unit		1
	QDC Unit	Open & Close, Roller Conv' (Use)	1
	Carriage		8
	Opening & Closing Unit	Hyd' Cylinder, Hyl'd Pump	1
	Mould Carrier & Carriage	2200 X 940	8
	Pouring Head Carriage	Y,Z (2 Head)	1
	Door Unloading transfer	Speed: 0/9m/sec	1
	Outdoor loading transfer	Speed: 0/9m/sec	1
	Electric Parts	PLC System, GOT	1
	Platform (2'nd FL) with Heating & Dust System	H – Beam, Check Plate	1
	Existing Facilities Remodeling		1

Annexure – VI

M/s LG Electronic India Pvt. Ltd.,

P.O. No. LGEIL/Pun I/PE/PO/033A/11 **dated** 28th July, 2011

Sl. No	**Item Description**	**Specifications**	**Qty (set)**
1	Refrigerant Charging machine	MKCM – 2R – 2G Modification Safety system MKS – SF – 4CH Booster Pump MKBP – R 600a Piping of R 134a storage room – pipe, valve, hose etc. Data management system – connection to MES system	1

Annexure – VII

M/s LG Electronic India Pvt. Ltd.,

P.O. No. LGEIL/Pun I/PE/PO/047A/11 **dated** 23rd August, 2011

Sl. No	Item Description	Specifications	Qty (set)
	Evacuation Line Conveyor		
1	Evacuation Line Conveyor (Supply Line)	L 12000 X W505 X H 500	1
2	Evacuation Line Conveyor (Return Line)	L 37000 X W505 X H 500	1

Annexure – VIII

M/s LG Electronic India Pvt. Ltd.,

P.O. No. LGEIL/Pun I/PE/PO/037A/11 **dated** 30th July, 2011

Sl. No	Item Description	Specifications	Qty (set)
	Parts for case Foaming Machine		
1	Main Feeding System		1
2	TV Zone Diverter		8
3	TV Zone Buffer		4
4	Curing Zone Conveyor		1
5	Loading Machine		1
6	Unloading Machine		1
7	Centering Unit		1
8	Fork Transfer Unit		2
9	Injection Machine		1
10	Open / Close Machine		4
11	N2 Injection Machine		1
12	Pre Ass'y Buffer Line		1
13	Electric Control Panel		1
14	Mezzanine New Making & Retrofitting		1
15	Pre Ass'y Heating over & Duct Mezzanine		1
16	Curing Oven & Structure & Duct		1
17	QDC Oven & Duct		1
18	Curing Zone F/Flow Conveyor Chain & Block		1
19	Curing Zone F/Flow Conveyor Motor		2
20	Exit N2 Injection Machine (Servo Motor Type)		1

Annexure – IX

M/s LG Electronic India Pvt. Ltd.,

P.O. No. LGEIL/Pun I/PE/PO/038A/11 **dated** 30th July, 2011

Sl. No	Item Description	Specifications	Qty (set)
	Cold Rolled Forming (CRF) Machine		1
1	Sheet Feeder Up gradation		
2	Notching Machine (10 Die Set)		
3	Idle Conveyor (After Notching)		
4	180 deg Turnover Conveyor		
5	Roll Former (Shift KR2 Line)		
6	Idle Conveyor (After Roll Forming)		
7	L & Z Bending Machine		
8	Taping Conveyor New Making		
9	U Bender		
10	Unloader		
11	Lifter and Buffer Conveyor		
12	Old Buffer Conveyor Up gradation		
13	Machine Safety Guards		
14	Electrical Controls Parts		

Annexure – X

M/s LG Electronic India Pvt. Ltd.,

P.O. No. LGEIL/Pun I/PE/PO/039A/11 **dated** 1st August, 2011

Sl. No	Item Description	Specifications	Qty (set)
A	**Foaming Machine**		
1	Buffer Tank Accessories for POL/C5, transfer unit and control Cabinet for Premix and Storage Area.	For Buffer Tank Accessories only	1
2	Storage Tank Accessories for ISO & Transfer Unit.	For Storage Tank Accessories only	1
3	Water Chiller units for Premix & Storage Area.		2
4	Cabinet Line Cannon A-System, Penta Twin Double.		1
5	Extra Low Pressure Temp Conditioning system for Cabinet Line.		2
6	Door Line Cannon A-System 100, Pentra Twin Double.		1
7	Extra Low Pressure Temp Conditioning system for Door Line.		2
8	Water Chiller units for Foaming Machine.		2
9	Safety System.		1