

PROVISIONAL AGENDA OF XXXIX MEETING OF THE EMPOWERED STEERING COMMITTEE FOR IMPLEMENTATION OF THE MONTREAL PROTOCOL

- Date** : 5th March, 2014
- Time** : 3: 00 P.M.
- Venue** : Room No. 402 (Committee Room)
Ministry of Environment & Forests
Paryavaran Bhawan,
CGO Complex,
Lodhi Road,
New Delhi – 110 003
- Item No. 1** : Adoption of the Agenda
- Item No. 2** : Confirmation of Minutes of XXXVIII meeting of the Empowered Steering Committee (ESC).
- Item No. 3** : Action taken on decisions of the XXXVIII ESC.
- Item No. 4** : Consideration of the applications received for Duty Exemption in respect of new or expanded activities with non-ODS technology.
- Item No. 5** : Organization of the International Day for the Preservation of the Ozone Layer, 2013.
- Item No. 6** : Any other matters with permission of the Chair.

ANNOTATED AGENDA OF XXXIX MEETING OF THE EMPOWERED STEERING COMMITTEE FOR IMPLEMENTATION OF THE MONTREAL PROTOCOL

Item No. 1 : Adoption of the Agenda

The provisional agenda may be adopted.

Item No. 2 : Confirmation of Minutes of XXXVIII meeting of the Empowered Steering Committee (ESC).

Minutes of the XXXVIII meeting of the ESC held on 2nd September, 2013 were circulated to all the Members. As no comments have been received, the Minutes placed at **Annex-A, pages 1-32**, may be confirmed.

Item No. 3 : Action taken on decision of the XXXVIII ESC.

S. No	Decision taken in XXXVIII ESC	Action taken on the decision
1.	<p><u>Agenda Item No. 2:</u></p> <p>The Confederation of Indian Industry (CII) has sent comments (Annex-B, pages 33-35) on the Minutes of the XXXVII meeting of the ESC (Annex-C, pages 36-44) held in June 2012 with respect to formulation of policy on import of blends containing HCFC-22 and on the price differential of domestically produced HCFC-22 and the imported HCFC-22.</p>	<p>The XXXVIII meeting of the ESC held on 2nd September, 2013 discussed the comments submitted by the CII on formulation of policy on import of blends containing HCFC-22. The ESC decided to retain the existing sentence in the Minutes as the deletion of above or below the threshold will not make any difference.</p> <p>With regard to the price differential of HCFC-22, the Committee decided to defer it the next meeting as many of the Members that attended the XXXVII meeting were not present during the XXXVIII meeting.</p> <p>The XXXIX ESC is requested to take a view in this regard.</p>
2.	<p><u>Agenda Item No. 3-</u> Reconstitution of the Technology and Finance Standing Committee (TFSC).</p>	<p>The TFSC has been reconstituted on 19th December, 2013 with the approval of Secretary (E&F) and Chairman ESC.</p>
3.	<p><u>Agenda Item No. 4(a)-</u> CFC Production Sector Gradual Phase-out : The ESC advised that the matter be taken up with</p>	<p>The Ozone Cell, MoEF sent reminders to the World Bank to expedite the release of second and final tranche of US\$ 1.057 million to all the 4 CFC producers on priority basis.</p>

	<p>the World Bank to expedite the release of the second and final tranche of US \$ 1.057 million to all the 4 CFC Producers.</p>	<p>Subsequently, the World Bank had requested the Ozone Cell, MoEF that for restructuring of the ODS-IV project, a request from the MoEF to be sent to the Department of Economic Affairs (DEA) as per the advice of the DEA to the World Bank. The DEA has approved the restructuring of the ODS-IV project based on the recommendation of the MoEF.</p> <p>The World Bank has informed the Ozone Cell, MoEF that the restructuring of the ODS-IV project has been approved internally and the World Bank is in the final process of releasing the funds to the 4 CFC producers.</p>
4.	<p><u>Agenda Item No. 4 (d):</u> HCFC Phase-out Management Plan (HPMP) Stage-I.</p> <p>The ESC advised the Ozone Cell, MoEF to seek a clarification from United Nations Development Program (UNDP), the lead implementing agency whether the phase-out of HCFCs will be substance (HCFCs)-wise or it would be for various HCFCs together based on the availability of alternative technologies.</p>	<p>The UNDP clarified that for achieving HPMP targets, phase-out of HCFCs would be for various HCFCs together based on the availability of alternative technologies.</p>

Item No. 4 : Consideration of the applications received for Duty exemption in respect of new or expanded activities with non-ODS technology.

The TFSC is one of the Standing Committees of ESC and is responsible for considering the technical and financial aspects of the ODS phase-out projects and activities to recommend for approval of ESC to submit to the Ex-Com of the MLF for funding. In addition, it considers the applications for fiscal incentives in terms of exemptions of customs and excise duty for the Multilateral funded projects and expansion and establishments of new capacities with non-ODS

technologies, as per the Ministry of Finance vide notification number 21/2002 on goods required for (a) the substitution of ODSs; (b) setting up of new capacity with non-ODS technologies and the same is read with notification number 12/2012.

In accordance with Sr. No. 364 of Ministry of Finance Notification No. 21/2002 – Customs dated 1st March, 2002 and amended Notification No. 12/2012 – Customs, dated 17th March, 2012 the following enterprises have submitted their applications to the Ozone Cell, Ministry of Environment and Forests (MoEF) for exemption of Customs Duty on goods imported for expansion of capacity with non-ODS technology:-

- (i) M/s Subros Ltd., Noida
- (ii) M/s Whirlpool of India Ltd., Pune
- (iii) M/s Whirlpool of India Ltd., Faridabad
- (iv) M/s Bharat Seats Ltd., Gurgaon (Haryana)
- (v) M/s Zeco Aircon Industrial Ltd., Thane Maharashtra

The TFSC in its meeting held on 25th November, 2013 considered the five proposals mentioned above. A copy of the Minutes of the meeting of the TFSC is placed at **Annex D pages 45-62**. The details of the proposals are given below:

- (i) **M/s Subros Ltd., Noida**, the largest manufacturer of car air- conditioners in India, are now undertaking an expansion and modernization of their Noida plant for which they are importing 7 pieces of equipment details of which are given in table below :

S. No	Equipment Name	Qty
1	CNC-EDM-SP3U P.O. No 7200000468 Dated 16.07.2013	1 No
2	Die Spotting Press-IDS-300S-3020 P.O. No 7200000469 Dated 20.07.2013	1 Set
3	Deep Hole Drilling M/c ST-1200 P.O. No 7200000470 Dated 23.07.2013	1 Set
4	AL Auto Brazing M/c – 4 station P.O. No 7200000474 Dated 17.09.2013	1 No
5	AL Auto Brazing M/c – 4 station P.O. No 7200000475 Dated 17.09.2013	2 Nos

6	EDM – Electrical discharge machining P.O. No 7200000476 Dated 19.09.2013	1 set
7	VMC – Vertical Machining Centers P.O. No 7200000477 Dated 19.09.2013	1 set

In their presentation before the TFSC, the company representative of M/a. Subros Ltd., explained the need for expansion and upgradation of the Noida plant with these equipment to supply the increased demand from their customer the car manufacturer M/s Maruti Suzuki Ltd. The Committee observed that the equipment being imported are for the purpose of manufacturing MACs and needed for further expansion of the capacity of Noida plant of M/s Subros Ltd., and recommended the application for duty exemption for approval on condition that M/s Subros submits the following :

- a) A full name of the equipments being imported.
- b) A certificate that the equipments being imported are not manufactured in India
- c) A list of the equipments imported earlier which has been scrapped/junked.

In reply M/s Subros Ltd., submitted the following documents (a) NMI Certificate (b) Capacity & Capacity utilization in the Noida plant and (c) Information regarding junk machine (they have not sold any).

Since M/s Subros Ltd., has submitted all the required documents and found to be in order, the TFSC has recommended the application for duty exemption for the import of the equipments listed in the table above.

- (ii) **M/s Whirlpool India Pvt. Ltd.**, Pune is at present, using HFC-134a as refrigerant in the compressors in their manufacture of Refrigerators. They want to change over to the use of isobutane as the refrigerant as they are already using cyclopentane as the foam blowing agent in the same plant. The present gas charging machines being used for HFC-134a are not suitable for use with isobutane as these are not fitted with safety devices needed for isobutane and must be changed. For this they are purchasing three new gas charging machines suitable for use with isobutane details of which may be seen in the table below :

S. No.	Equipment Details	Qty
1	Imported machines with accessories required for conversion from HFC-134a to R600a. P.O. No 1201041780 dated 08.08.2013 <i>(Details as per Annexure II of the TFSC Minutes)</i>	27 Nos

2	Imported machines with accessories required for conversion from HFC-134a to R600 a P.O. No 1201041779 dated 08.08.2013 <i>(Details as per Annexure III of the TFSC Minutes)</i>	14 Nos
3	Imported machines with accessories required for conversion from HFC-134a to R600 a P.O. No 1201041781 dated 05.08.2013 <i>(Details as per Annexure IV of the TFSC Minutes)</i>	15 Nos

In their presentation before the TFSC, the company representative mentioned that with this import and installation of refrigerant (isobutane) charging machines M/s Whirlpool will change over from the use of HFCs to hydrocarbons in their large refrigerator manufacturing plant at Pune.

The Committee observed that at present there is no program to assist such change over by the Government of India as HFC-134a is not an ODS gas. The Committee therefore cannot approve the project. However, the Committee decided to defer the matter for further discussion in the next meeting of TFSC.

- (iii) **M/s Whirlpool India Pvt. Ltd.**, Faridabad, is currently using HCFC-141b for PU insulations for refrigerator cabinet bodies and doors. In line with guidelines of Montreal Protocol and Government of India they are now converting this plant for operation with cyclopentane in place of HCFC-141b as the foam blowing agent. The Faridabad plant has 3 manufacturing lines and all three will be changed suitably for use with cyclopentane. For this they are importing high pressure foaming machines and other equipment, the details of which are given in the table below :

S. No.	Equipment Details	Qty
1	Imported machines with accessories required for conversion from 141B to cyclopentane P.O. No 1201042534 Dated 25-09-13 <i>(Details as per Annexure V of the TFSC Minutes)</i>	19 Nos
2	Imported machines with accessories required to maintain process temperature for cyclopentane blend. P.O. No 1201043472 Dated 24-10-13 <i>(Details as per Annexure VI of the TFSC Minutes)</i>	2 Nos

In their presentation before the Committee, the company representative mentioned that the machines now being imported for the foaming operations in these lines with cyclopentane as the foam blowing agent are fitted with sensors and safety devices to take care of the fire hazard associated with cyclopentane.

The Committee observed that M/s Whirlpool India Pvt. Ltd., Faridabad, has taken adequate precautions for fire hazard associated with the use of inflammable foam blowing agent like cyclopentane and early elimination of ODS HCFC-141b will be good for the environment.

The Committee recommended the application for approval on condition that M/s Whirlpool India Pvt. Ltd., Faridabad submits the following:

- a) a certificate mentioning that the new equipment is not manufactured in India
- b) a letter mentioning that all three manufacturing lines in the Faridabad plant will be changed to the use of cyclopentane with new imported machinery
- c) a certificate for proper storage and handling of cyclopentane from the Department of Explosives (GOI), Nagpur.

Since M/s Whirlpool India Pvt. Ltd., has submitted all the required documents and found to be in order, the TFSC has recommended the application for duty exemption for the import of the equipments listed in the table above.

- (iv) **M/s Bharat Seats Ltd.**, Gurgaon (Haryana), produces car seats and Head Rests for Maruti Udyog Ltd., and currently they are supplying 41% of the requirement of Maruti Suzuki India Ltd., who have now undertaken a large expansion program. To supply their extra demand M/s Bharat Seats have also undertaken an expansion project for head rests. For this expansion they are purchasing one more PU Head Rest Moulding manufacturing line from Polymer Engineering Company (PEC) Ltd., of Japan. The PU Head Rests will be manufactured using water as the foam blowing agent in the presence of various additives and catalysts. The details of the plant being imported are shown in the table below :

S. No	Equipment Name	Qty
P.O. No 4700000033 Dated 24.04.2013		
1	High Pressure Foaming Machine	1 set
2	Machine Tank Unit	1 set
3	Digital temperature display of tank system in remote access touch panel near the robot	1 set
4	Material Temperature control unit	1 set
5	High Pressure piping for material and hydraulic piping & hoses	1 set
6	Complete high pressure piping upto mixhead	1 set
7	Data sampling system	1 set
8	Air drier	1 set
9	Assembly and checking at PEC factory	
10	Seaworthy packing and FOB charges	
11	Supervisor dispatch (1 person X 10days and 1 person X 5 days)	
12	Discount	

In their presentation before the Committee, the company representative explained that this machine has the capability of tracking various production processes, consumption of raw materials and various parameters to monitor the quality and productivity of the entire plant.

The Committee observed that the import of the head rest system manufacturing plant by M/s Bharat Seats is needed to ensure adequate supply of head rest systems to Maruti Suzuki Ltd., for their expanded car manufacturing program.

The Committee also observed that as the items shown in Sr. No. 9, 10, 11 & 12 in the table costing Rs. 10,65,220/- are not capital goods and duty exemption on these items could not be recommended for approval. Accordingly the revised reduced cost of equipment works out to be Rs. 96,50,680/- for which the duty exemption @ 7.5% would be Rs. 7,23,801.

Since M/s Bharat Seats Ltd., has submitted all the required documents and found to be in order, the TFSC has recommended the application for duty exemption for the import of the equipments listed in the table above except items 9, 10, 11 and 12.

- (v) **M/s Zeco Aircon Ltd., Bahadurgarh, Haryana** are specialists in the manufacture of air handling units needed for installation of AC systems in large installations. Pre – Insulated air ducts are a good replacement of other kinds of air ducts needed for ACs systems and are considered as a part of green building projects. M/s Zeco Aircon Ltd., are now expanding their production of pre-insulated air ducts at village Lahe in district Thane, Maharashtra to supply to ACs systems installers like Blue Star and Voltas in the neighboring areas. The details of these equipment being imported given below :

Sl. No	Equipment Name	Qty
1	Continuous plant for the production of PU Air Ducts Panels P.O. No ZAL/IMPORT/033 Dated 04.10.12	1

In their presentation before the TFSC, the company representative mentioned that for manufacture of these ducts the company is importing total machinery from OMS Italy. For insulation they will be using PU foam in between two walls of the ducts and for foam blowing they will be using a mixture of HFC-245fa and water as the foam blowing agent. The blowing agent as well as Polyol and Isosynate will be imported. The plant will be operating in a continuous manner.

The Committee noted that installation of AC systems is a growing industry in the Thane district of Maharashtra due to proximity of large industries and there is need for pre insulated air ducts and recommended the application for

Protocol. A large number of stakeholders and school children participated in the event.

On this occasion, the publication “Montreal Protocol: India’s Success Story” was released and distributed to the participants. In addition, poster design, painting, slogan writing competitions were organized among school children. Prizes for the best 3 in each competition were awarded.

Item No. 6 : Any other matters with permission of the Chair.

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