Minutes of the Technology and Finance Standing Committee (TFSC) Meeting held on Monday, 25th November, 2013 at 3:00 P.M. in the Conference Room of CDC, Core 4B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110 003.

List of participants is attached as Annexure - I.

The Minutes of the TFSC meeting held on 5th June, 2013 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 Chairman Dr. B. Sengupta. The Chairman Dr. B. Sengupta then welcomed the Members and asked Prof. S.K. Mukerjee to start the proceedings. Prof. Mukerjee then apprised the Committee about the actions taken by the Ozone Cell on recommendations made by the TFSC during its last meeting held on 5th June, 2013.

Action Taken: The following four applications were considered in that meeting for issuance of duty exemption certificate for import of goods needed for manufacturing activity with non-ODS technology.

- 1. M/s SRF Ltd., Gurgaon
- 2. M/s Subros Ltd., Noida
- 3. M/s Vikas Altech Pvt. Ltd., Ranjangaon
- 4. M/s Global Autotech Ltd., Greater Noida (U.P)

All four applicants gave presentation in support of their project before the Committee and their applications were recommended for approval. In case of M/s SRF Ltd., the Committee observed that the fact that part II of their project associated with M/s Larsen and Toubro has been removed and costs have been revised accordingly.

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

The Committee then considered the following Agenda items:

Agenda Item No. 1

The application of **M/s Subros Ltd.,** Noida, for duty exemption for import of 7 pieces of equipment needed for enhancing the production capacity and import substitution at their Noida (U.P) plant.

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

Table

S.	Description of eqpt.	Qty	P.O No, &	Total amount	Total CIF cost
No			Date	in (FOB/CIF value)	(Rs. In lacs)
1	CNC-EDM-SP3U	1	7200000468	\$ 45,000 /-	28,35,000/-
		No			
			Dated		
			16.07.2013		
2	Die Spotting Press-	1	7200000469	\$298,000/-	1,87,74,000/-
	IDS-300S-3020	Set			
			Dated		
			20.07.2013		
3	Deep Hole Drilling M/c	1	7200000470	\$ 115,000/-	72,45,000/-
	ST-1200	Set			
			Dated		
			23.07.2013		
4	Aluminium Auto	1	7200000474	\$ 30,000/-	18,90,000/-
	Brazing M/c – 4 station	No	Dated		
			17.09.2013		
5	Aluminium Auto	2	7200000475	\$ 65,000/-	40,95,000/-
	Brazing M/c – 4 station	Nos			
			Dated		
			17.09.2013		
6	EDM – Electrical	1	7200000476	SGD 2,20,000/-	1,10,00,000/-
	discharge machining	set			
			Dated		
			19.09.2013		
7	VMC – Vertical	1	7200000477	JPY	2,88,00,005/-
	Machining Centers	set		4,50,00,008/-	
			Dated		
			19.09.2013		
				Total ty payable @ 7.5%	7,46,39,005/-
	55,97,925.37				

The cost of these imported equipment is appox. Rs. 7.47 crores and the import duty payable on it @ 7.5% would be approximately Rs. 0.56 crores.

In their presentation before the committee the company representative explained the need for expansion and upgradation of the Noida plant with these equipment as they have to supply the increased demand from the car manufacturer M/s Maruti Suzuki Ltd.

The Committee observed that the equipment being imported are general purpose manufacturing machinery for mobile air-conditioners and the equipment is needed for further expansion of the capacity of Maruti Suzuki Ltd.

The Committee recommended the application for duty exemption for approval on condition that M/s Subros submits the following:

- (a) A certificate that the equipment being imported are not manufactured in India and full name of the equipment being imported.
- (b) The list of equipment approved for the company in their previous twenty four applications and
- (c) A list of the equipment imported earlier which has been scrapped / junked.

Agenda Item No. 2:

The application of **M/s Whirlpool India Pvt. Ltd.,** Pune for duty exemption for import of foaming machines and safety equipment needed for change over to cyclopentane as foam blowing agent in their refrigerator manufacturing plant at Ranjan Gaon, Pune.

M/s Whirlpool India Pvt. Ltd., a subsidiary of M/s Whirlpool Corporation, USA, started manufacturing non-CFC refrigerators in 1995 at Faridabad and were first to receive assistance from MPMF.

They started next a large state of the art refrigerator manufacturing plant at Ranjangaon, Pune using HCFC-141b for foam blowing and R-134a as the refrigerant. After the Government of India took a decision to

phase out HCFCs they changed over from the use of HCFC 141b to cyclopentane for PU foam blowing in the cabinet and door making and received duty exemption assistance in the recent past.

They are still using the old refrigerant gas charging machines and R-134a refrigerant for compressors. These are not fitted with safety devices needed for cyclopentane and must be changed. For this they are purchasing three new gas charging machines suitable for use with cyclopentane details of which may be seen in the Table below:

Table

_	O For invest Datable DO No and Datable							
S.	Equipment Details	PO No. and	Price in	Price in Rs				
No.		Date	FOB	(Lacs)				
			(EURO)					
1	Imported machines with	1201041780	229929/-	203.72				
	accessories required for							
	conversion from R-134a to	Dated						
	R600a.	08-08-13						
	Details as per Annexure II							
2	Imported machines with	1201041779	32623/-	28.90				
	accessories required for							
	conversion from R-134a to	Dated						
	R600 a	08-08-13						
	Details as per Annexure III							
3	Imported machines with	1201041781	89947/-	79.69				
	accessories required for							
	conversion from R-134a to	Dated						
	R600 a	05.08.2013						
	Details as per Annexure IV							
	Total cost in Rs.							
	Duty payable @ 7.5%							

The total cost of importing these three gas charging machines will be Rs. 312.31 lacs which will be met from the internal resources of the company. The duty payable @ 7.5 % would be approximately Rs. 23.22 lacs.

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

The Committee observed that although this change over from the use of R-134a to R-600a is a move in the right direction (as R-134a has a high GWP) at present there is no programme to assist this change by the Government of India as R-134a is not an ODS gas. The Committee therefore cannot approve the project. It was decided to defer the matter for discussion in the next meeting of TFSC.

Agenda Item No. 3:

The application of **M/s Whirlpool India Pvt. Ltd.**, Faridabad for duty exemption for import of Cyclopentane compatible foaming machines for foam blowing in the manufacture of refrigerator cabinet and doors.

M/s Whirlpool manufactures refrigerators at Faridabad using HCFC 141b for PU foaming operations for refrigerator cabinet bodies and doors. In line with guidelines of Montreal Protocol they are now converting this plant for operation with cyclopentane in place of HCFC-141b as foam blowing agent and require to import some machinery. The Faridabad plant has 3 manufacturing lines and all three will be changed. The list of these machines with their purchase orders are given in the Table below:

Table

S.	Equipment Details	PO No. and	Price in FOB	Price in Rs			
No.		Date	(EURO)	(Lacs)			
1	Imported machines with	1201042534	20,98,610/-	1793.26/-			
	accessories required for						
	conversion from 141B to	Dated					
	cyclopentane	25-09-13					
	Details as per Annexure V						
2	Imported machines with	1201043472	91,500/-	78.19/-			
	accessories required to						
	maintain process temperature	Dated					
	for cyclopentane blend.	24-10-13					
	Details as per Annexure VI						
	Total cost in Rs.						
		Duty pa	ayable @ 7.5%	1.41 crores			

The total cost of these imported machines will be appox. Rs. 18.72 crores which will be met from the internal resources of the company. The duty payable @ 7.5 % would be approximately Rs. 1.41 crores.

In their presentation before the Committee the company representative mentioned that the machines now being imported will be used for foaming operations in these lines with cyclopentane as the foam blowing agent. These 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., 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 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. 4

The application of **M/s Bharat Seats Ltd.,** Gurgaon (Haryana), for duty exemption for import of one PU Head Rest Cushion Moulding line for Maruti Cars 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. At present the share holding pattern of the company 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 systems. They also supply seats and frame assemblies for two wheelers of Suzuki Motor Cycles (India) Ltd.

The company is now undertaking a further expansion of their manufacture of <u>Car Head Rest System</u> matching with the increased production of Maruti Udyog Ltd to 2 – million cars in the year 2015-16. For this

expansion they are purchasing one more PU Head Rest Moulding 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:-

Table I

00.50.000/								
96,50,680/-								
4.04.000/								
4,94,000/-								
7.00.000/								
7,80,000/-								
-2,08,780/-								
1,07,15,900/-								
(1.07crores)								
(1.07crores)								
(1.07010165)								
8,03,692.5/-								

The total cost of the machine as given in Table I is appox. Rs 1.07 crores and duty payable on it would be approx. Rs. 8/- lacs @ 7.5%

In their presentation before the Committee the company representative explained the various features of the machine shown in Table and mentioned 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 felt that the import of the plant shown in Table is needed to ensure proper supply of head rest systems to Maruti Suzuki Ltd., for their car manufacturing program and recommended. The application for duty exemption in accordance with guide line of the scheme.

The Committee also observed that 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 cannot be recommended. Accordingly the revised cost of equipment works out to be Rs 96,50,680/- for which the duty exemption @ 7.5% would be Rs. 7,23,801/-.

Agenda Item No. 5

The application of M/s Zeco Aircon Ltd., Bahadurgarh, Haryana for duty exemption for import of one plant for continuous production of PU air duct panels for AC systems in their factory at village Lahe, Taluka Shahpur, Dist. Thane, Maharashtra.

M/s Zeco Aircon Ltd., are specialists in the manufacture of Air Handling units (AHU) needed for installation of AC systems in Govt. Departments, Multiplexes, Cinemas and Airports etc. The company started operations in the year 1995 at Bahadurgarh (Haryana) and have now expanded to Malur (Karnataka), Kancheepuram (Tamil Nadu),, and Vasai (Thane).

Pre – Insulated ducts are a good replacement of other kinds of ducts needed for ACs systems and is considered as a part of green building projects.

They are now expanding for production of pre-insulated air ducts at village Lahe at Thane, Maharashtra to supply to ACs systems installers like Blue Star, Voltas in the neighboring areas.

The details of the plant and cost etc., a given in the table below:

Table

Sr. No	Equipment	Qty	P.O. Date	No	and	Price in Euro	Price in INR
1	Continuous plant for the production of PU Air Ducts Panels	1	ZAL/IM Dated 04.10.1		Г/033	9,00,000/-	7,56,40,422/-
Total							7,56,40,422/- (7.56 crores)
Duty payable @ 7.5%							56,73,031.65 (56 lacs)

The total price of the imported machinery is Euro 9,00,000/- (INR 7.56 crores) approx. The duty payable @ 7.5% RS.56,73,031/- (56 lacs) approx.

In their presentation before the Committee 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 HCFC-245fa and water 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 growing industry in that region of Maharashtra due to proximity of large industries and there is need for pre insulated air ducts and recommended the application for duty exemption is accordance with guidelines of the scheme on condition that M/s Zeco Aircon Ltd., sends (i) a letter certifying that this equipment is not manufactured in India and (ii) submits a copy of the application which they have submitted to M/s Punjab National Bank to obtain a loan to finance this project.

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Annexure – I

LIST OF PARTICIPANTS

2	Dr. B. Sengupta, Chairman (TFSC), 161, Medha Appartments, Mayur Vihar, Phase – I, New Delhi – 110 091 Mr. H. S. Kaprwan, Retd. Additional Director (DRDO), C-215, Sector 51, Kendriya Vihar, Noida – 200 1307 Ph: 9891597792	Chairman Member
3	Dr. Kiran Pal, Additional Director, Centre for Fire, Explosive & Environment Safety, Defence Research & Development Organisation, Ministry of Defence, Brig. S.K. Mazumdar Road, Timarpur, Delhi – 110 054	Member
4	Dr. Izzatullah, O/o DC (MSME) Ministry of Micro, Small & Medium Enterprises, Room No. 702, Nirman Bhavan, New Delhi – 110 011	Member
5	Mr. kamal Sharma, Executive Officer, CII Centre of Excellence for Sustainable Development Confederation of Indian Industry (CII), Thapar House, IInd Floor, 24, Janpath, New Delhi – 110001	Member
5	Mr. A.K. Kundalia Principal Scientist, , Council of Scientific Industrial Research (CSIR), Anusandhan Bhawan, 2, Rafi Marg, New Delhi – 110 001 Ph: 23321425, Fax No. 23710340	Member
6	Ms. Devika Rani, Project Coordinator – PMU, Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	Special invitee

7	Mr. Fahad Naim Technical Officer - PMU Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	Special invitee
8	Prof. S.K. Mukerjee, Consultant, Ozone Cell, Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	Consultant
9	Dr. A. Duraisamy, Director (Ozone Cell), Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	Member Secretary

Annexure II

M/s Whirlpool of India Ltd.,

P.O. No. 1201041780

S. No	Description	Unit	Net value
1	Proomax – F2P	1	50245
2	RS-F R600a	1	7475
3	Accumulatyor 10 L R 600A with Ventilation	1	2470
4	Accumulatyor 10 L R134A with safety valv	1	1690
5	Valve Box	1	942
6	Drop Box	1	3315
7	Robust bar code reader	2	1690
8	R 600A calibration cylinder	1	487.50
9	SAFI in incl power supply and UPS	1	9782.50
10	Gas sensor (PIR 7000)	2	3640
11	Flow sensor	2	390
12	Local emergency stop	2	117
13	EST 100 with earth clamp	1	2307.50
14	Barcode Scaner wired	1	845.00
15	CPT common system monile LRDA	1	2807.60
16	CPT XD 10 ALCD Display	80	78400
17	Barcode Scanner Wored	1	845
18	Pliss server upgrade	1	4458.25
19	Limit Generator for Plis 5	1	3158.25
20	Repair Interface for Pliss	2	2816.50
21	Barcode Scanner Wored	1	1690
22	Data collection of @X	1	0.10
23	Plis report customizing	1	0.10
24	Blow off unit	1	2275
25	Software	1	3640
26	Smart sensor with thermocouple room tup	240	39984
27	Plis 5 server 2 nd line Licese	1	4458.05
		Total	2,29,929.85/-

Annexure III

M/s Whirlpool of India Ltd.,

P.O. No. 1201041779

S. No	Description	Unit	Net value
1	RS – F Controler with changeover	1	4160
2	Dual safety valve	1	2535
3	Safe – In	1	9782.50
4	GAS Sensor (PIR 7000)	1	3640
5	Flow Sensor	1	390
6	Local Emergency Stop	1	117
7	Plis Visulisation for Safe in	1	4290
8	Remote Alarm	1	8 77.50
9	Gas Sensore cable	1	1750
10	Interface cable	1	980
11	Set of spare promax	1	1163.80
12	Set of spare RS pump	1	863.85
13	Set of spare gas alarm	1	2073.50
14	CIP Mumbai Freight charges	1	7500
		Total	40,123.15

Annexure IV

M/s Whirlpool of India Ltd.,

P.O. No. 1201041781

S. No	Description	Unit	Net value
1	Promax F2P	1	50245
2	RS-F R600A	1	7475
3	Accumulator 10 L R 600A	1	2470
4	Accumulator 10L R134A	1	1690
5	Valve Box	1	942.50
6	Drop Box	1	3315
7	Robust Barcode reader	2	1690
8	R600A Calibration Cylinder	1	487.50
9	SAFI in incl power supply and UPS	1	9782.50
10	Gas Sensor (PIR 7000)	2	3640
11	Flow Sensor	2	390
12	EST 100 with earth clamp	1	2307.50
13	Barcode scanner – wired	1	845
14	Blow – off unit	2	4550
15	Local emergency stop	2	117
		Total	89947 Euro

Annexure V

M/s Whirlpool of India Ltd.,

P.O. NO 1201042534 dated 25th Sept. 2013

DETAILS OF IMPORTED MACHINES WITH ACCESSORIES REQUIRED FOR CONVERSION FORM 141B TO CYCLOPENTANE

S. No	Item	Qty	Justification	Price in Euro	Rs.
1	C Pentane storage tank kit	2	Detonation protection, valves, Level detectors, leak sensors Ventilator, dual Red Jacket pump etc for tank operations and safety	1,22,200/-	1,04,41,990/-
2	20m overground Pentane piping	1	Over ground Cyclopentane compliant piping SS80 with armored gaskets and welded connections	2,760/-	2,35,842/-
3	300m ISO piping	1	New ring line for Chemical. Line compatible for C-5 and installed accordingly	19,220/-	16,42,349/-
4	180m + 250 m m Poly Pentane piping	1	New ring line for Chemical. Line compatible for C-5 and installed accordingly	28,050/-	23,96,873/-
5	500l Poly buffer tank	2	For pre cooling the chemical, with all required safeties	48,220/-	41,20,399/-
6	500l ISO buffer tank	1	For pre cooling the chemical, with all required safeties	25,890/-	22,12,301/-
7	Pentamix 40 prepared for 3 components	2	C-Pentane to Polyol mixer with piston pumps, Ex proof controls, mass flow measurements, safety valves, ventilator and controls	1,88,000/-	1,60,64,600/-
8	2x 2000l Poly Pentane buffer tanks	2	To store C-Pentane blended polyol, with exproof controls, level monitoring, safety sensors, Nitrogen blanketing, leak and spill sensors.	95,930/-	81,97,219/-

9	Cabinet metering machine 2 x RSC 40/40 with 10 MH's and 1 x RSC 40/40 prepared for 10 MH's but with 6 MH's	1	C-Pentane compatible wet system with Ex proof controls, leak and spill sensors, leak proof magnetic couplings, metering pumps, ventilation and Nitrogen jacketing, Auto filling and safety shutdown controls, C-Pentane compatible mixing heads with intrinsic safety	2,91,260/-	5,21,03,138/-
10	Inerting unit	6	Nitrogen measuring system for inerting operations of cabinet and storage tanks	19,320/-	16,50,894/-
11	RSC 16/16/16/16 with 2 MH's + 1 MH	1	C-Pentane compatible wet system with Ex proof controls, leak and spill sensors, leak proof magnetic couplings, metering pumps, ventilation and Nitrogen jacketing, Auto filling and safety shutdown controls, C-Pentane compatible mixing heads with intrinsic safety	2,32,180/-	1,98,39,781/-
12	RSC 16/16 with 1 MH	1	C-Pentane compatible wet system with Ex proof controls, leak and spill sensors, leak proof magnetic couplings, metering pumps, ventilation and Nitrogen jacketing, Auto filling and safety shutdown controls, C-Pentane compatible mixing heads with intrinsic safety	1,27,700/-	1,09,11,965/-
13	1 X Safety system with 3 sensors for premix room including 1 X Fan with double speed and double motor	1	Safety control panel for Polyol- C-Pentane mixer room with 3 gas leak sensors and dual ventilation blower with automatic double speed	30,420/-	25,99,389/-

				22,22,000/-	17,93,26,225/-
			Total	Euro	Rs
Z I	Transport and Packaging FOB Hamburg, Germany	1	and shipment to nearest German port	·	
20	Assembly commission, start up & training	1	Installation job at site and training Packaging of machines	1,03,590/-	Exemption not availed
19	MIX HEAD MK 12/18 ULP-2KVV- G-80-1		Mixing head suitable for C-Pentane foam with exproof intrensic safe sensors and actuation	12,000/-	10,25,400/-
18	Remote control panel for monitoring the guard gate	1	Centeralized Remote panel at the security guards room for 24 hours manning of safety status of complete foaming plant.	5,880/-	5,02,446/-
17	DRY SIDE and 2 x Fan with double speed and double motor	3	Ventilation blower and control for 3 Cabinet foaming fixtures lines with 2 X dual ventilation blower with automatic double speed	15,291/-	13,06,616/-
16	3 x Safety system with 12 sensors for cabinet lines L1, L2& L3 with double speed and double motor blower	3	Safety control panel for Cabinet foaming machines 1,2,3 with 12 gas leak sensors each and dual ventilation blower with automatic double speed	1,44,399/-	1,23,38,895/-
15	1 x Safety system with 5 sensors for DD1&DD2 including with 1 X fan with double speed and double motor	1	Safety control panel for DD2 machines with 5 gas leak sensors and dual ventilation blower with automatic double speed	47,790/-	40,83,656/-
14	1 x Safety system with 4 sensors for DD3 including 1 x Fan with double speed and double motor	1	Safety control panel for DD3 machine wet system with 4 gas leak sensors and dual ventilation blower with automatic double speed	32,350/-	27,64,308/-

TOTAL AMOUNT REQUESTED FOR DUTY EXEMPTION (EXCLUDING ITEM NO. 20 & 21) Euro 20,98,610.00

Annexure VI

M/s Whirlpool of India Ltd.,

P.O. NO 1201043472 dated 24th Oct., 2013

DETAILS OF IMPORTED MACHINES WITH ACCESSORIES REQUIRED TO MAINTAIN PROCESS TEMPRATURE FOR CYCLOPENTANE BLEND

S. No	Item	Qty	Justification	Price in Euro	Rs.
1	Turbomiser type water chiller cap	1	Maintenance of Cyclopentane blend temperature	90,000/-	76,90,500/-
2	Sequential controller	1	Maintenance of Cyclopentane blend temperature	1,500/-	1,28,175/-
			TOTAL	Euro 91,500/-	Rs 78,18,675/-