

Agenda Item No. 1

The application of **M/s Modern Prefab Systems Pvt. Ltd.**, Manesar (Gurgaon) for duty exemption for import of one Cannon A-200 PU foaming machine and three panel presses for PU Sandwich Panel production for manufacture of cold storages, equipment shelters and prefabricated housings.

M/s Modern Prefab Systems a medium sized company, located at Manesar, Gurgaon and assembling prefabricated housing systems mainly for army, police and other government organizations as well as schools, health centres, work force camps etc. They are an ISO: 9001: company registered with DGS&d, DGQA and NSIC. Beside supplying to Government organizations, they also export these prefab systems to Bhutan and Nigeria for various applications.

The PU Sandwich Panels needed for assembling these housing systems were so far out sourced by them. In the process they were experiencing supply bottle necks and quality control problems.

They have now decided to manufacture the PU Sandwich panels themselves for further assembling to different types of prefab systems. For this they need to import one PU foaming machine and three PU Sandwich panel forming machines from Italy. Details of the equipment being imported is given in the Table on next page. The application is for duty exemption for import of these four equipment.

Table

S. No	Name of Machine	P.O. No and Date	Qty.	Source	Price in EURO	Price in INR
1	Cannon PU Sandwich Panels Foaming Plant consisting of a) PU Foaming machine Cannon A-200. b) Press for panel production. i) Manni 4 Daylight PMC 95T ii) Manni PMC 262 T iii) Manni PMC 90T	MPSPL/2006-07/PO/2118 Dated 30/11/06	1 set each	Afros S.P.A. Italy	492,000/-	2,89,98,000/- (2.9 Crs.)
2	Accessories for Cannon machine like mould profile etc.	Do	1 set each	Afros S.P.A. Italy	17,000/-	10,02,000/- (0.1 Crs.)
Total cost INR						3,00,00,000/- (3 Crores)
Appox. Duty Payable						0.225 Crores. 22.5 Lacs

The cost of these equipment is Rs. 3.0 Crores and duty payable is appox. 22.5 Crores. They are applying for a loan from SIDBI for financing 75% of the cost of this import of machinery. The company has submitted all the supporting documents and proper purchase orders.

This is the first application from the company similar equipment for manufacture of PU panels have been approved for many enterprises.

The committee may consider the application.



Agenda item No. 2

The application of **M/s Blue Star Ltd.**, Bharuch for duty exemption for import of a PU foaming machine and PU Sandwich panel foaming press or production of PU Sandwich panels.

M/s Blue Star Ltd., is India's largest manufacturer of central air conditioners and commercial refrigerators. They have manufacturing facilities at Thane, Bharuch, Dadra and the most recent one at Kala Amb (Himachal Pradesh).

The Bharuch plant mainly manufactures refrigeration appliances such as Bottle Coolers, Deep Freezers and cold rooms and cold Storages assembled from PU Sandwich panels. They manufacture their own PU Sandwich panels from very early days. In the year 2005-06 their production of PUF Panels recorded a growth of 53%.

They anticipate a large increase in demand for cold rooms as well as telecom shelters and consequent increased requirement of PUF panels for the year 2007-08 as nearly 2.5 times the current capacity. They also see an emerging business potential for larger size (12.5 meter length) panel required for large size cold storages.

In order to meet this demand they are setting up new capacity for PUF Panel production. For this expansion of capacity they are importing

- 1) One PU foaming machine (Cannon A-200 system) with 3 mixing heads.
- 2) One Press for Sandwich panels manufacturing (Manni PMC 262 T).
- 3) One press model BMPF-1, 2+2 system for Sandwich panels production (size different).

Details of these equipment is shown in the Table below.

Table

S. No	P.O. No & Source	Description of Equipment	Qty	Value in Forex	Value in INR
1	BCH 260050 AFROS S.p.A, Italy	Polyurethane Sandwich Panels Foaming Plant using CFC-Free technology consisting of the following.	1 set each	3,87,000/- EURO	2,23,87,950/-
a)		Polyurethane Foaming Unit High Pressure machine. Cannon A-System 200 with 3 FPL 24 mixing heads		(503,100) USD	
b)		Press for Sandwich Panels Manufacturing. Manni PMC 262T			
2	BCH 260051 Shanghai Baosheng Machinery INS Co. Ltd.,	Press Model BMPF-1, 2+2 System for un continuous Sandwich Panel line.	1 set each	USD 76,250/-	33,93,125/-
Total cost INR					2.58 Crores
Appox. Duty payable @ 7.5 %					19.4 Lacs

The cost of the equipment being imported is appox. Rs. 2.58 Crores and duty on it will be appox. 19.4 Lacs. The cost will be met entirely from internal accruals.

M/s Blue Star Ltd., has received assistance for duty exemption twice earlier. This is their third application.

The company has submitted all the supporting documents. Similar machinery have been approved for them as well as for many other enterprises.

The committee may consider the application.



Agenda Item No. 3

The application of **M/s Bayer Material Science Pvt. Ltd.**, for duty exemption for import of three P.U foaming machines and some laboratory equipment for setting up a system house for developing **tailor made polyol blends** suiting the requirements of individual customers.

M/s Bayer Material Science Pvt. Ltd., is part of Bayer Material Science AG which is a subsidiary of **Bayer AG of Germany**. They are pioneers in the production of Polyurethanes and Polycarbonates and are the largest producers of raw materials like different types of Polyols, isocyanates needed for production of **PU** articles like **PUF (refrigerator insulation), flexible moulded, furniture foam, flexible slab stocks, automotive interior and exteriors articles, shoe soles, paints, adhesives, sealants etc.** Each one of these end products require a **customized blend** of polyether and polyester type of polyols with different additives and blowing agents for production of PU articles with optimum desired properties on condensation with isocyanates.

M/s Bayer Material Science Pvt. Ltd., is setting up a "System House" in Noida which will be a R&D unit to develop optimum blends of polyols with additives and blowing agents to suit the special needs of their customers producing various end products.

The suitability of blends developed in their R&D laboratories for each customer/end product will be **demonstrated on a production scale** for their needs in terms of end application requirement.

The system house concept is a global phenomena being adopted by large producers of component materials for new products tailor made to suite the needs of local industries.

For setting up this **system house cum R&D laboratory** **M/s Bayer Material Science Pvt. Ltd.**, intends to import two high pressure PU casting/foaming machines, a low pressure static laboratory PU foaming machine and a number of other laboratory equipment details of which are shown in the table on next page.

Table

Sl. No	Equipment Name	Qty	P.O. No. & Date	Source	Price (Forex)	Estimate in INR
1	High Pressure reaction casting machine model HK-650 TL/MX.	1	294(Imp) Dated 18/12/06	HENNECKE Gmbh	239192 EURO	1,38,73,136/-
	High Pressure PUR Foaming machine model Base Line 470 F/MX	1				
	Chiller Unit 14	1				
2	Low Pressure Laboratory Static Machine Model PiU Test 4T/2/2.	1	290(Imp) Dated 01/12/06	AMAGUSBERTI srl.	59000 EURO	34,22,000/-
3	Auto titrator & accessories.	1	99(Imp) Dated 27/12/05	Mettler-Toledo Gmbh Analytical	18790 S.F.	6,76,440/-
4	Viscometer & accessories.	1	120(Imp) Dated 30/01/06	Brookfield Engg. Lab. Inc	2095.25 USD	94,286/-
5	Calorimeter & accessories.	1	145 (Imp) Dated 28/02/06	Witratemp	3557.19 EURO	2,06,317/-
6	Mat. Testing Machine & acc.	1	146 (Imp) Dated 28/02/06	Zwick Asia Pte Ltd.,	41000 EURO	23,78,000/-
7	Foamat system with accessories.	1	168 (Imp) Dated 04/04/06	Format Messtechnik Gmbh	23600 EUR	13,68,800/-

Sl. No	Equipment Name	Qty	P.O. No. & Date	Source	Price (Forex)	Estimate in INR
8	Mixer	5	244 (Imp) Dated 22/08/06	Pendraulik	24635 EURO	14,28,830/-
9	Flame Proof Cabinet.	1	-	Denios	3300 EURO	1,91,400/-
10	Thermal Conductivity Analyser.	1	-	Lasercomp / Eko	26000 USD	11,70,000/-
11	Close Cell content for Rigids.	1	-	Micrometrics	13000 EURO	7,28,000/-
Total cost in INR						2,55,37,209/-
Appox. Duty payable @ 7.5%						19.2 lacs

The total cost of these imported equipment is Rs. 2.554 Crs and duty payable on it would be appox. Rs. 19.2 lacs. The total cost of the project will be totally met from the company sources.

This is the first application from the company and the first application for a R&D system house from the Polyurethane industry.

The company has submitted all the supporting documents and proper purchase orders.

The committee may consider the application.



Agenda Item No. 4

The application of **M/s Subros Ltd.**, for Duty exemption for import of equipment / toolings required for manufacture of new Air-conditioning systems/ A.C. kits of (R-134a type).

M/s Subros Ltd., is the largest manufacturer of car Air-conditioners in India. They are OEM suppliers to M/s Maruti Udyog Ltd., and also supplies to Tata motors, Mahindra and Mahindra for all models of passenger cars.

They started with a capacity of 50,000 units per annum and gradually increased to approx. 1 million units. They have a fully equipped plant at Noida and about 2 years back opened a new plant with equal capacity at IMT, Manesar (Haryana) to cater to the need of growing car manufacturing industry in India. Recently they have set up another plant at Chakan Industrial Estate, Pune to cater to the needs of Tata Motors situated near by.

These new plants at Manesar (Haryana) and Chakan (Pune) are yet to reach their planned capacity. Currently they are planning to increase the capacity from 5,00,000 Ac system to 7,50,000 units by adding new equipment in stages.

For these new plants at Manesar and Pune as well as to augment their facilities at the R&D centre at Noida, M/s Subros is now importing 5 sets of equipment, details of which are given in the table below. The application is for duty exemption for the same.

Table

For Manesar Plant						
Sl	Description of eqpt.	Qty	P.O. No, Date & Supplier	Total amount (FOB/CIF value) in Forex	Total CIF cost (Rs. In Lacs)	Essentiality (For eqpt. Being imported)
1	Nocolock Brazing Furnace	1 set	7200000176 Dated 14.02.07 Logics Corporation	6,00,00,000 JPY	2,34,84,000/-	For degreasing and brazing of Aluminium condensers

Sl	Description of eqpt.	Qty	P.O. No, Date & Supplier	Total amount (FOB/CIF value) in Forex	Total CIF cost (Rs. In Lacs)	Essentiality (For eqpt. Being imported)
2	Corrosion Test Chamber system Weiss Model SC/KWT 1000	1 set	7200000173 Dated 05.02.07 Weiss Umweltte - chnik Gmbh	18,645/- EURO	11,33,056/-	Required to conduct the corrosion test on Aluminum and steel components.
For Pune Plant						
1	Nocolock Brazing Furnace	1 Set	7200000175 Dated 14.02.07 Logics Corporation	6,00,00,000 JPY	2,34,84,000/-	For degreasing and brazing of Aluminium condensers.
2	Corrosion Test Chamber system Weiss Model SC/KWT 1000	1 set	7200000172 Dated 05.02.07 Weiss Umwelttechn ik Gmbh	18,645/- EURO	11,33,056/-	Required to conduct the corrosion test on Aluminum and steel components.
For Noida Plant						
1	Portable Noise and Vibration measuremen t system.	1 Set	7200000174 Dated 05.02.07 LDS Test and Measurement LLC	15,900/- USD	7,36,965	Required to measure the Noise and Vibration of AC fitted on the vehicle.
Total amount INR						4,99,71,078/-
Duty payable Appox.						Rs.37,47,830

It will be observed that two sets of equipment one for Manesar plant and another for Pune plant, are being imported.

The total cost of these equipment is Rs. 4.997 crores and duty on it would be approx. Rs. 37.5 Lacs. The cost will be met from internal accruals.

The Brazing furnaces are required for manufacturing energy efficient condensers and evaporators (latest multiflow type) which they had installed earlier in their Noida plant. Corrosion test chamber is required for quality control in the plants. Noise and Vibration measurement unit is required at their R&D centre for continuous improvement in the design of MAC systems. Similar equipment have been approved for them as well as other MAC manufactures earlier.

It may be mentioned that M/s Subros has received assistance form Montreal Protocol Multilateral Fund and duty exemption assistance nine times earlier. This is their tenth application.

They have submitted proper purchase orders and other supporting documents.

The committee may consider the application.



Agenda Item No. 5: The application of **M/s Videocon Industries Ltd.**, for duty exemption for import of a **complete plant** for manufacture of refrigerator cabinet based on non-ODS technology from China.

M/s Videocon Industries Ltd., belonging to videocon group, is a manufacturing leader of consumer electronics (CTV, music) and home appliances in India. They are the largest manufacturer of refrigeration appliances (domestic refrigerators, bottle coolers, visicoolers, Air conditioners etc.) in India and have factories at Aurangabad, Bangalore, Haryana and Bharuch as well as manufacturing bases/facilities abroad in Oman, Italy, Mexico, Poland and China.

M/s Videocon Industries is now embarking on a new venture of manufacturing energy efficient non-CFC refrigerators of both **No-Frost** and **direct cool** type and putting up a large plant of capacity 600,000 units per annum near Kashipur, Uttrakhand taking advantage of tax and other incentives offered by the State Government.

For putting up this large plant they intend to import a refrigerator body making plant consisting of steel and plastic body parts and PU foam insulation plant, painting plant, injection moulding equipment etc. from one source i.e., China machinery industry group Guangzhoc Electrical Apparatus Research Institute.

The details of the machinery/equipment being purchased and for which duty exemption has been requested is given in the table on next page.

They will be out sourcing the compressors evaporators and condensers partly from their own production from other plants and partly from other sources.

Table

(A) Machinery/Equipment by P.O. No:- IC0606001 dated, 26-08-06 Source: Guangzhoc Electrical Apparatus Research Institute, China.				
Sl. No	Area/Machine/Equipment required	Quantity	FOB Price USD	FOB Price (INR in Lacs)
1	Outer Ref. Steel Body U Plate Forming line.	1 No.	259,261/-	116.67/-
2	Refrigerator Door Door Plate Forming Line.	1 No.	181,900/-	81.86/-
3	Refrigerator Painting Shop Painting Line.	1 No.	656,283/-	295.33/-
4	Refrigerator Assembly Line Pre-Assembly Line & Assembly Line.	1 No.	723,433/-	325.54/-
5	Over Head Conveyor Hanging Line (Press to Paint to Assembly OH Conveyors).	1 No.	126,827/-	57.07/-
6	Refrigerator Cab Foaming Cabinet Foaming Line.	1 No.	580,081/-	261.04/-
7	Refrigerator Door Foaming Door Foaming Line.	1 No.	138, 845/-	62.48/-
8	Assembly Line F.G. Conveyor System.	1 No.	60,270/-	27.12/-
9	Main Assembly Bar Code Information Management System (Five No. Bar Code Readers).	1 No.	19,440/-	8.75/-
10	Main Assembly Refrigerant Charging Machine (Gallieo Hebilis) with High PR Pump.	1 No.	29,800/-	13.41/-
11	Main Assembly Performance test System.	1 No.	249,980/-	112.49/-

Sl. No	Area/Machine/Equipment required	Quantity	FOB Price USD	FOB Price (INR in Lacs)
12	Main Assembly Helium Inspect (Gallieo).	1 No.	89,980/-	40.49/-
13	Main Assembly Leakage Test Machine (Inficaon – HLD5000).	2 Nos.	21,900/-	9.86/-
14	BSR/Stores Mannual Forklift Truck.	12 Nos.	2,000/-	0.90/-
(B) Machinery/Equipment by P.O. No:- IC0611017 dated, 07-11-06 Source: Guangzhoc Electrical Apparatus Research Institute, China.				
15	Refrigerator Cabi Liner Cabinet Vaccum Foaming Mould & Plate 230L.	1 Set	22,702/-	10.22/-
16	Refrigerator Door Liner Door Vaccum Foaming Mould & Plate 230L.	1 Set	14,139/-	6.36/-
17	Refrigerator Cabi Liner Cabinet Vaccum Foaming Mould & Plate 183L.	1 Set	18,749/-	8.44/-
18	Refrigerator Door Liner Door Vaccum Foaming Mould & Plate 183L.	1 Set	12,410/-	5.58/-
(C) Machinery/Equipment by P.O. No : - IC0610045 dated, 14-10-06 Source: Guangzhoc Electrical Apparatus Research Institute, China.				
19	Refrigerator PU Foaming Cabinet Foaming Machine A-100 with 2 Mix Head.	1 Set	181,359/-	81.61/-
20	Cyclopentane Unit Accessories for Cyclopentane Storages.	1 Set	70,875/-	31.89/-
21	Refrigerator Cabi Foaming Pre Mix for Cyclopentane & Polyol.	1 Set	121,500/-	54.68/-

Sl. No	Area/Machine/Equipment required	Quantity	FOB Price USD	FOB Price (INR in Lacs)
22	Cyclopentane Unit Safety & Ventilation System.	1 Set	111,780/-	50.30/-
23	Cyclopentane Unit C5 Tank 35CU.M with Licences.	1 Set	20,250/-	9.11/-
Total			3,713,764/-	1,671.20/-
Appox. Duty @ 7.5%				125.34 /-

The total cost of the equipment being imported is Rs. 16.71 Crores and duty on it would be approx. Rs. 1.25 Crores.

The total project cost is estimated to be Rs. 26 Crores and it will be financed entirely from internal accruals. The company has submitted proper purchase orders and other supporting documents.

This is the fourth application for duty exemption from the company. They have been assisted three times earlier under this scheme. It may be mentioned that they were also assisted with Montreal Protocol Multilateral Fund for conversion of their Aurangabad plant to non-ODS technology.

The company will be using HFC-134a as the refrigerant and Cyclopentane as the foam blowing agent. They are aware of the fire hazards associated with the use of Cyclopentane and are adopting proper safety measures in the plant. They are installing a nitrogen plant for inertising the foaming operations and adopting proper measures for cyclopentane storage. They have applied for a licence from the Directorate of Explosives, Nagpur but can only obtain the certificate after inspection of the installed plant.

They have applied for pollution certificate from the state Pollution Board.

The committee may consider the application.



They set up the plant in 1998-99 and received Duty exemption assistance under this fiscal incentive scheme for import of machinery needed for this plant. They were the first company in India to start manufacture of non-ODS HFC-134a compressors which helped other refrigerator manufactures to come up with CFC-free appliances. Such compressors were imported earlier from Matsushita of Japan or Embraco of Brazil. Their current capacity, achieved in stages, is 3 million compressors. After the current plan of expansion which **they are executing in stages**, the capacity will be 4.3 million compressors. They company plans to produce ultimately 5.60 million compressors by the year 2007-08.

Table

[illegible]

The cost of this equipment is appox. Rs. 64.5 Lacs and duty on it would be appox. Rs 4.84 Lacs @ 7.5%. It may be mentioned that same type of equipment had been approved for other conversion/duty exemption projects earlier.

The company has so far received duty exemption assistance ten time earlier. This is their eleventh application.

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

The committee may consider the application.



Supplementary Agenda Item No.1

The application of **M/s Rinac India Ltd., Bangalore**, for duty exemption for import of one complete plant for continuous production of PUF Sandwich panels with foaming stations.

M/s Rinac India Ltd., a Private Ltd. company, is a reputed manufacturer of PU foamed articles including PU Sandwich panels having their manufacturing facilities at Bangalore. They manufacture modular cold rooms, clean rooms, commercial refrigerators and blast chillers/freezers from these panels for use in Aquaculture, Horticulture, Sericulture and other purposes.

The company is now undertaking an expansion project to manufacture PUF Sandwich panels by installing a **continuous PUF panel manufacturing machine** at MIDC Industries area at **MURBAD, Mumbai**. The machine is to be imported from Korea and details are given in the table below. The application is for duty exemption for the same.

It may be mentioned that the company had received assistance from Montreal Protocol Multilateral Fund for their conversion project earlier. This is their first application for duty exemption assistance.

Table

Sl. No	Eqpt. Des.	Qty.	P.O. No & Date	Total amount FOB	Total landed cost in Rs.
1	Complete plant for continuous production of PUF Sandwich panels with foaming station consisting of 1. Metal foaming eqpt. 2. PU injection and foaming eqpt. 3. Panel cutting and handling eqpt.	One	2006/U5 PO/01 dated 14/02/07	Euro 20,36,000/-	12.54/- Crores
Total					12.54 Crores
Duty payable approx. @ 10%					1.3 Crores

The total cost of the machine is Rs. 12.54 Crore and duty payable on it 1.3 Crores @ 10%.

The total cost of the project is Rs. 308 Million and will be met from internal accruals.

The panels will be made using pentane as the foam blowing agent and company has mentioned that adequate precautions have been for fire hazard.

Similar machines imported from other sources have been recommended recently for other enterprises.

The company has submitted all the supporting documents.

The committee may consider the application.

