

Agenda Item No.1

The application of **M/s Apex Prefab Building Systems**, Kondi (Baddi, H.P.) for duty exemption for import of one Cannon A-200 PU foaming machine and one PU press for Sandwich Panels from Italy.

M/s Apex Prefab Building Systems is a new partnership company being set up in village Kondi, Tehsil Nalagarh in District Solan, Himachal Pradesh to manufacture PUF insulated Sandwich Panels and pre engineered buildings for the rapidly expanding Telecom and Cold storage market. The site has been chosen as Government of H.P gives concessions like Duty Exemption, Sales Tax reduction, Income Tax exemption etc. and nearness to the market. They have a factory named BNAL Prefabs Pvt. Ltd., manufacturing prefab structure for the defence forces and are now expanding into manufacture of PUF insulated panels and pre engineered steel building.

For this expansion project they intend to import a PU foaming machine and a PUF Sandwich panel press details of which are given in the Table below.

Table

Sl. No	Description of Equipment	Purchase order No. & Date	Price in INR & EURO
1	Cannon A- system 200 Std High Pressure Polyurethane foaming unit for the production of Sandwich panels with Non-ODS Technology.	Invoice No 248/07sA/mtC Confirmed by letter No APBS/2007-08/207 Dated 14 th April, 2007 Order confirm no. 9873/mtC(CM 13083+CR) dated 03-08-2007	1,00,50,000/- INR 1,67,500/- EURO
2	Press for Sandwich panels PMC Manni 90T 4.5x1.5 Mtr 4 Daylight Panels Press.		
Total price INR			1,00,50,000/-
Duty payable @ 7.5%			7.53 Lacs

The total cost of these two machines are Rs. 1.005 Cr. and duty payable on it would be approx 7.54 lacs.

The total cost of the project including land building plant and machinery is Rs. 198.75 lacs and will be financed by the internal resources of the two partners.

Apart from the imported machines other ancillary machines would be procured locally. The approximate production capacity as visualized for the new plant is 1,34,400 sq. mtrs per annum.

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

It may be mentioned that similar equipment for making PUF Sandwich panels have been approved for many enterprises earlier.

The committee may consider the application.



Agenda Item No.2 : The application of M/s Voltas Limited (Mumbai) for duty exemption for import of one Cannon A-40 compact High Pressure PU foaming machine.

M/s Voltas Ltd., is a leading Tata group of companies manufacturing amongst other things central Air-conditioners of capacities ranging from 5 Ton to 2000 Ton. Their Air-conditioning and Refrigeration Business Group has 3 manufacturing plants located at Thane (Maharashtra), Dadra (UT of Dadra & Nagar Haveli) and Rudrapur (Uttarakhand). They manufacture the entire range of components like compressors, coils, heat exchangers, packaged A.Cs, Ductable split units, Air handling units and vapour absorption machines.

They are now installing one plant at Dadra to manufacture Air Handling units which are made by assembling Polyurethane Sandwich panels cut to various sizes and fitting other units like blower, motor, coil etc. on frames inside the assembled insulated - channel.

For manufacturing Poly Urethane Sandwich panels they are importing one Cannon A-40 compact High Pressure Foaming machine details of which are given in the table below. The application is for duty exemption for this import.

Table

Sl. No	Equipment	P.O. No & Date	Source	Price in Euros	Price in INR
1	Cannon A compact 40 High Pressure Machine.	7700000700 date 15-06-2007	M/s Cannon-Afros-Italy	82000	4633000
Total cost in INR					46.33 lacs
Appox. Duty payable @ 7.5%					3.47 lacs

They are going to use HCFC-141b as the non-ODS blowing agent. The hydraulic press (4 day light) needed for the plant will be procured locally. The capacity projected is 250 Air handling units per month consuming 7500 kg of polyol and isocyanate (MDI) per month.

The cost of the machine is Euro 82000 (INR 46.33 Lacs) and duty payable on it is approx 3.47 Lacs.

It may be mentioned that Cannon A-40 foaming machine is a standard machine needed for rigid PU foam insulated panels and duty exemption for similar machines have been approved for many others earlier.

The company has submitted all the necessary supporting documents.

The committee may consider the application.



Agenda Item No. 3

The application of **M/s Subros Ltd.**, for Duty exemption for import of 13 pieces of equipment / toolings required for manufacture of new type of energy efficient, light compressors for Mobile Air-conditioners at their Noida plant.

M/s Subros Ltd., a Public Ltd., company 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. 7,50,000 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. Currently their capacity is 7,50,000 Units of AC. Systems.

Their main customer, M/s Maruti Udyog Ltd., is now going launch new model of cars which require MACs fitted with new generation of fuel efficient, **environment friendly 10SA13 type compressors**. This type of high performance, energy efficient, lighter compressors will replace their existing range of compressors. To begin with these new type of compressors will be manufactured only in their plant at Noida. For implementation of this new project, M/s Subros need to import 13 pieces of basic equipment/machines details of which are given in the Table below.

Table

Sl	Description of eqpt.	Qty	P.O. No, Date & Supplier	Total amount (FOB/CIF value) in JPY	Total CIF cost (Rs. in Lacs)
1	Pulley Press Insertion Machine.	1 set	7200000201 Dated 03.09.07 Logics Corporation	9250000	3620450
2	Automatic Pulley TIG welding system.	1 set	7200000202 Dated 03.09.07 Logics Corporation	12000000	4696800

SI	Description of eqpt.	Qty	P.O. No, Date & Supplier	Total amount (FOB/CIF value) in JPY	Total CIF cost (Rs. in Lacs)
3	Die for Front Cylindrical Block (2 nos taken)	1 set each	7200000204 Dated 17.09.07 Sumitomo Corporation	25663000	10044498.20
4	Die for Rear cylindrical Block (2 nos taken)			26163000	10240198.20
5	Die for Front Housing (4 nos taken)			26663000	10435898.20
6	Die for Rear Housing (4 nos taken)			19849000	7768898.60
7	Takisawa CNC lathe Model TC 200 L3 with Fanuc 21iT controls and Accessories	1 set each	7200000205 Dated 20.09.07 Takisawa machine Tool Co. Limited	7800000	3052920
8	Takisawa CNC lathe Model TC 200 L3 with Fanuc 21iT controls and Accessories			7350000	2876790
9	Takisawa CNC lathe Model TC 200 L3 with Fanuc 21iT controls and Accessories			7450000	2915930
10	Takisawa CNC lathe Model TC 200 L3 with Fanuc 21iT controls and Accessories.			7550000	2955070
11	Takisawa CNC lathe Model TC 200 L3 with Fanuc 21iT controls and Accessories.			7850000	3072490
12	12 Stage progressive die compressor cylinder gasket GA011-30400 KEN t0.38 requires A class surface finish.	1 set	7200000206 Dated 22.09.07 Logics Corporation	4000000	1565600

Sl	Description of eqpt.	Qty	P.O. No, Date & Supplier	Total amount (FOB/CIF value) in JPY	Total CIF cost (Rs. in Lacs)
13	12 Stage progressive die compressor centre gasket GA011-30900 KEN t0.38 requires A class surface finish.	1 set	7200000206 Dated 22.09.07 Logics Corporation	4000000	1565600
Total amount INR				64811143.20	
Duty payable Appox.				4860835.74	

M/s Subros claims that this new generation of compressors will surpass the old 10s technology and will be **First Globally Launched from India.**

The new type of compressors has a smaller size, no muffler and bolt and a rotor of sheet metal thus reducing weight, energy consumption and cost. It is designed for use with non-ODS refrigerant HFC-134a.

The total cost of these 13 pcs of equipment is 6.481 crores and duty payable on it would be appox. Rs 48.6 lacs.

The project will be financed by internal accruals.

The company has submitted all the necessary supporting documents.

The committee may consider the application.



Agenda Item No. 4

The application of **M/s InTime Fire Appliances**, Mumbai for Duty Exemption for import of machinery for manufacture of fire extinguishers to replace Halon based fire extinguishes.

M/s InTime Fire Appliances Ltd., is a small scale company engaged in the manufacture of fire extinguisher equipment since 1993. They have two plants (i) at Andheri (West), Mumbai and (ii)

at TTC, MIDC, Navi Mumbai. The company was manufacturing portable fire extinguishers of soda acid and chemical foam and BC type dry power of capacity of 1 kg to 10 kg. They also manufactured and serviced some systems in the marine sectors. After Montreal Protocol the use of Halon-1211 and Halon-1301 has been given up and the BIS has withdrawn standards for vintage type extinguishers like soda acid and chemical foam which they were manufacturing. The company started manufacture of non-ODS fire extinguishers of ABC powder and CO₂ squeeze grip extinguisher. They have increased their range of manufacture to water sprinklers, liquid foam systems, Hose and hose reels and carbon dioxide based systems.

The company now wants to manufacture bigger size (9/10 litre capacity) ABC powder based pressurized fire extinguishers and HFC-125 based fire extinguishers. Which are more effective for manufacturing of these larger type of fire extinguisher cylinders they are importing one Hydraulic stretcher machine (a press of 200 ton) and a mould set to be used with the press. The details of these two equipment is given in the table below.

Table

Sl. No	Name of Machine	P.O. No. and Qty	Price in FOB	Price in INR
1	Hydraulic stretcher machine 200 ton 380V, 50Hz	59/07-08 1 set	US\$ 22875/-	915000/-
2	Moulds set for 9 1t/ 10 kg.	59/07-08 1 set	US\$ 7500/-	300000/-
Total				1215000/-
Duty payable appox.				3.75 lacs

The total cost of these two equipment is Rs. 12.15 lacs and appox duty payable is Rs. 3.75 lacs.

The project will be financed by their own resource.

In may be mentioned that the company received duty exemption assistance once earlier for import of similar press of smaller size to make cylinders of 4/5 kg capacity. Market demand for larger size fire extinguishers emerging now can only be met by import of larger size press.

The company has submitted all the supporting documents.

The committee may consider the application.



Agenda Item No.5

The application of M/s Polyflex (India) Pvt. Ltd., Tamil Nadu for duty exemption for import of two cannon High Pressure Foaming machines Cannon A-compact 60FC for dual Hardness technology with one spare mixing head (FP2L 22) and two spare pumps with fixed out put.

M/s Polyflex (India) Pvt. Ltd., is a large manufacturer of polyurethane molded automotive seats since 1984. They started with plants at Bangalore and as their production increased they expanded and set up more plants at Chennai and at Pune. They are the largest supplier of car seats to M/s Hyundai (through Hanil Lear), Toyota (through Araco) and Ford/Tata (through Tata Johnson controls). They are a certified TS16949 company and also certified for quality by TUV – Germany.

Recently M/s Hyundai Motors India Pvt. Ltd., have decided to double their car production from 3 lacs cars per year to 6 lacs cars per year in their Chennai plant. M/s Polyflex (India) Pvt. Ltd., have to expand their production capacity at their Chennai plant to meet the increased demand from M/s Hanil Lear for supply to M/s Hyundai Motors.

For this expansion programme, initially they decided to import two Cannon A-60 High Pressure Foaming machines of **mono hardness type** and obtained duty exemption certificates for the same. However they did not utilize these certificates and informed that they have decided to purchase more sophisticated **dual hardness foaming machine** in order to have an advantage in the competitive market for car seats.

They have now applied for duty exemption for the import of two sophisticated **dual hardness P.U. foaming machine** details of which are given in the table on next page.

Table

Sl. No	Des. of Equipment	Qty	P.O. No. & Date	Price in EURO	Price in INR
1	High Pressure Foaming machines Cannon A-Compact 60 FC for Dual Hardness CFC free technology	02	PIPL/Chennai/2007-08	232950/-	13045200/-
	Spare : Mixing Head FP2L 22	01	Dated 3 rd Sept., 2007		
	Cannon Pump fixed output 12 cc/rev.	01			
	Cannon Pump fixed output 3 cc/rev	01			
Total cost				232950/-	13045200/-
Duty payable @ 7.5%				978390/-	

It may be mentioned that the **dual hardness PU foaming machine is a state of the art machine** and is being procured for the first time in India. It is actually **two PU foaming machines connected to one common high pressure mixing head (FP2L 22)**. It will use water as the non-ODS blowing agent.

The total cost of the machine being imported is Rs. 1.31 crores and duty on it would be appox. 9.78 lacs.

The project will cost appox. Rs. 7.01 crores and will be financed by internal resources of the two partners.

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

The committee may consider the application.



Agenda Item No. 6:

The application of **M/s. Techno Electronics Ltd., Kashipur** for duty exemption for import of machinery and equipment in

phase II for manufacture of refrigerator cabinets and a **complete plant** for manufacture of Air Conditioners based on non-ODS technology from China.

M/s. Techno Electronics Ltd., is a new company belonging to Videocon group, formed to look after the new project of M/s Videocon Industries Ltd., at Kashipur. M/s Videocon Industries Ltd., felt that this large project should have its own identity and have decided to form this new company by the name **M/s Techno Electronics Ltd.,** and transferred all the assets so far created in Phase I of the project at Kashipur including equipment approved for **M/s. Videocon Industries Ltd.,** to the new company.

M/s. Videocon Industries Ltd., had embarked 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 in Kashipur, Uttarakhand taking advantage of tax and other incentives offered by the State Government. **The Phase-I part of this project was recommended by the TFSC in their meeting held in March, 2007.**

The company under the new name **M/s Techno Electronics Ltd.,** is now embarking on Phase-II of the refrigerator manufacture project and a complete plant for manufacture of Air Conditioners based on non-ODS technology in the same premises.

This application is for Duty Exemption for equipment and machinery which they have to import further to complete Phase-II of the refrigerator project and a complete new plant for manufacture of Air conditioners with non-ODS technology. The equipment had been ordered earlier by **M/s Videocon Industries Ltd.,** They have transferred these orders under a high seas sales agreement to M/s Techno Electronic Ltd. The new company is now applying for duty exemption for the import of equipment ordered earlier by M/s Videocon Industries as they are the new owners.

The details of the equipment being imported for the refrigerator project and the Air-conditioners project is given separately in the tables in Annexure:

- 1) **Annexure – I** consists of 78 Sets of Equipment needed for manufacture of different parts of refrigerators and the total costs of these imported equipment is INR 11.08 Crores.
- 2) **Annexure – II** consists of 57 Sets of Equipments needed for manufacture of Air Conditioners and the total costs of these imported Equipment is INR 17.13 Crores.

Thus the total cost of the imported equipment needed for Phase – II of the Refrigerator and Air Conditioners Plant is INR 28.21 Crores. and Duty payable on it @ 5% is approx 1.41 Crores.

It may be mentioned that the Refrigerators will be using non-ODS refrigerant R-134a and the Air Conditioners are designed to operate with the non-ODS refrigerant blend of R-410a. These new technology refrigerants have been chosen keeping in view the future problems which might arise with usual refrigerant R-22 used by all other Air Conditioner manufacturers currently.

It is further mentioned that in addition to the imported equipment the company will be investing appx. INR 14.62 Crores worth of other equipment from the indigenous market for both Refrigerator and Air Conditioner Plants. The Lists of equipment to be procured indigenously is given in **Annexure III & IV**. The Company will be investing approx. Rs. 300 Crores in this Project through internal accruals.

This is the fifth application for Duty Exemption from M/s. Videocon Industries Ltd. and the first application from the newly formed Company M/s. Techno Electronics Ltd.

It may be mentioned further that the parent Company M/s. Videocon Industries Ltd. where also assisted with MPMF Funds for conversion of their Aurangabad Plant to non-ODS Technology where they are using Cyclopentane for foam insulation very successfully. They are going to use the same Cyclopentane Technology for foam insulation in the new Refrigeration Plant at Kashipur. For this purpose they are installing a large liquid Nitrogen Plant for inertising the foaming operations and are adopting proper measures for Cyclopentane storage.

They have applied for License from the Directorate of Explosives, Nagpur but can only obtain the Certificate after the Plant is installed and inspected by the Authority. They have applied for Pollution Certificate from the State pollution Board which is under consideration.

The Company has submitted all the supporting documents including a) Memorandum of Articles of Association showing the formation of the New Company M/s. Techno Electronics Ltd. b) High Sea Sales Agreement as per DGFT Foreign Trade Policy for each Purchase Order for the imported Equipment ordered initially by M/s. Videocon Industries Ltd. to the new Company M/s. Techno Electronics Ltd.

The Committee may consider the application.

