

Agenda Item No. 1: The application of **M/s Visteon Automotive System India Pvt. Ltd.**, VASI for duty exemption for import of machinery / equipment / tools for expansion of non-CFC Macs manufacturing facility.

M/s Visteon Automotive System India Pvt. Ltd., is a 100% FDI company established in 1998 to manufacture automotive ancillary systems and MACs with non-ODS technology. They cater to both domestic and export markets. They have been assisted under duty exemption scheme first when they started the project in 1998 and subsequently several times in various stages of expansion of the plant. Their current capacity is 350,000 MAC units per year. They are OEM supplier of MACs mainly to Ford and Hyundai and also to others like Mahindra and Mahindra, Tata Motors, GM and most recently Mahindra – Renault.

In these expansion schemes they first concentrated in making heat exchangers and then added recently manufacture of non-ODS compressors.

Recently M/s Hyundai Motor Company has undertaken a massive expansion of their car manufacturing facilities at Chennai and have appointed VASI as their OEM supplier for MACs for these cars. Since M/s Hyundai will be exporting the cars the MACs fitted in these are to meet stringent quality and energy efficiency norms.

In order to meet this large increase in demand for non-ODS MACs M/s VASI has to increase their capacity of manufacturing MACs from 350,000 units per year to 600,000 MAC sets by 2007-08.

For this large expansion programme VASI is importing 44 items of machinery equipment of various types. The details of these equipment may be seen in the table below.

Table

Sl. No	Equipment Name	Qty	P.O. No	Supplier	Price in FCY	INR
1	Twin Chamber Helium Leak Tester	1	A90057 dated 23-02-07	Vacuum Eng. UK	£300000	2,60,19,900
2	Helium Sniffer	1	Do	Do	£204633	1,77,48,434

Sl. No	Equipment Name	Qty	P.O. No	Supplier	Price in FCY	INR
3	CNC Machine	1	A90056 Dated 23-02-07	Shin-ei Boeki Ltd, Japan	\$90400	40,68,000
4	Vision System	1	A90018 Dated 20-02-07	Halla Climate Control, Korea	\$49462	22,25,790
5	HVAC Assembly Machine	1	Do	Do	\$168172	75,67,740
6	Evap Torch Machine	1	Do	Do	\$50081	22,53,645
7	Tourch Jig Block & Base (RHD)	4	Do	Do	\$6430	2,389,350
8	Tourch Jig Block & Base (LHD)	4	Do	Do	\$1978	89,010
9	Brazing Fixture (60T)	1 Lot	Do	Do	\$10140	4,56,300
10	Brazing Fixture (45T)	1 Lot	Do	Do	\$30420	13,68,900
11	Helium Fitting (LHD)	1 Lot	Do	Do	\$2473	1,11,285
12	Helium Fitting (RHD)	1 Lot	Do	Do	\$2473	1,11,285
13	Condenser Core Builder	1	Do	Do	\$142204	63,99,180
14	Final Assembly Jig Condenser	2	Do	Do	\$5441	2,44,845
15	Evaporator Core Assembly Machine	1	Do	Do	\$105108	47,29,860
16	Reservoir Tank	1	Do	Do	\$3548	1,59,660
Checker						
17	Condenser Header Assembly Checker	2	Do	Do	\$3339	1,50,255
18	Condenser Assembly Mounting Checker	2	Do	Do	\$4204	1,89,180
19	Hose & Pipe Assembly	1	Do	Do	\$5466	2,45,970
20	Hose & Pipe Assembly	1	Do	Do	\$5317	2,39,265
21	Hose & Pipe Assembly	1	Do	Do	\$3957	1,78,065
22	Suction Hose Assembly	1	Do	Do	\$1855	83,475
23	Suction Hose Assembly	1	Do	Do	\$1855	83,475

Sl. No	Equipment Name	Qty	P.O. No	Supplier	Price in FCY	INR
24	Discharge Hose Assembly	1	Do	Do	\$1855	83,475
25	Discharge Hose Assembly	1	Do	Do	\$1855	83,475
26	Compressor Mounting Bracket	1	Do	Do	\$1855	83,475
27	Reservoir Tank Mounting Checker	1	Do	Do	\$806	36,270
28	Header-Cond (GSL.)	1	A90042 Dated 23-02-07	Halla Climate Control, Korea	\$50796	22,85,806
29	Tank-Cond (GSL.)	1	Do	Do	\$54000	24,30,000
30	Support (A) – Cond. (GSL)	1	Do	Do	\$36602	16,47,097
31	Support – Cond. (GSL.)	1	Do	Do	\$14468	6,51,048
32	Support (A) – Cond. (DSL)	1	Do	Do	\$36602	16,47,097
33	Support – Cond. (DSL)	1	Do	Do	\$13231	5,95,403
34	Baffle – Cond.	1	Do	Do	\$6183	2,78,226
35	Tank – Cond. (DSL.)	1	Do	Do	\$33226	14,95,161
36	Fan – Cool'g (φ340*9FS))	1	Do	Do	\$46989	21,14,516
37	Shroud – Cool'g (A/C)	1	Do	Do	\$62285	28,02,823
38	Cup Plate – Evap Core	1	Do	Do	\$221484	99,66,774
39	No Cup Plate – Evap Core	1	Do	Do	\$200,301	90,13,548
40	Cup transfer – Evap Core	1	Do	Do	\$222882	1,00,29,677
41	End Plate – Evap Core	1	Do	Do	\$43156	19,42,016
42	End Plate (A)– Evap Core	1	Do	Do	\$43156	19,42,016
43	Manifold – Evap Core	1	Do	Do	\$14839	6,67,742
44	End Cap – Htr Core	1	Do	Do	\$18548	8,34,677

Total cost in INR	12,56,43,193
Appox. Duty payable	Rs. 94,24,000

The total cost of the machinery being imported is 12.56 Cr and duty on it would be appox. Rs. 94.24 Lacs.

It may be mentioned that most of these machinery have been approved earlier in stages for them. Similar MAC manufacturing machines have also been recommended earlier for others. the company has mentioned that this is the bare essential equipment for the expansion program. Some other machines installed earlier will also be fully utilized now to meet the increased demand.

M/s VASI has received duty exemption assistance five times earlier and this is their 6th application.

The project will be funded entirely by internal accrual.

The company has submitted all the supporting documents.

The Committee may consider the application.



Agenda Item No. 2:

The application of **M/s S.G. Engineers, Udyog Nagar, Delhi** for duty exemption for import of one **high pressure poly urethane injection foaming machine** for manufacture of insulated drinking water tanks.

M/s S.G. Engineers is a small size company specializing in the manufacture of Defense articles like high security fencing systems, living shelters, fibre reinforced plastic huts and dome type shelters. They are located at Udyog Nagar, Delhi.

The company has now received orders for supply of special **insulated double walled elliptical vehicular drinking water tanks** for use in extreme climates from the defense department. The need to import one high pressure PU foaming machine for this purpose. The details of the machine being imported is given in Table below. They will use non-ODS foam blowing agent HCFC-141b. The new plant will be set up at SIRMOUR (HP).

Table

Sl. No	Eqpt. Name	Qty.	P.O. No & Date	Total cost in Euro	Total cost INR
1	High Pressure Variable Ratio Injection Molding N Machine Model SPH 30, machine output 30 kg per minute.	1	SGE/06-07/ EKOSYSTEM /PO-6/ 82 Dated 19 th Feb. 2007	23000/-	15.70 Lacs
Duty payable approx. @ 7.5 %					1.18 Lacs

The cost of the foaming machine is Rs. 15.7 lakhs and duty on it would be approx. 1.18 Lakhs @ 7.5%.

It may be mentioned that similar high pressure foam blowing machine have been recommended for many manufacturers earlier. This is the first application form this company.

The company has submitted all the necessary supporting documents.

The committee may consider the application.



Agenda No. 3 :

The application of **M/s. Sintex Industries Ltd.**, Kalol for duty exemption for import of one production line for continuous production of poly urethane Sandwich Panels.

M/s. Sintex Industries Ltd., Kalol (N. Gujarat), is a very well known company specializing in the manufacture of textiles (corduroy fabric) and P.E. Plastic products like water tanks, doors, windows, frames and pallets. They have 60% market share of water tanks manufactured by special rotomoulding process. The brand "Sintex" has become synonymous with water tanks. Prefabricated class rooms, booths, kiosks and guard rooms are their other speciality articles.

In 2001-4 their turnover crossed 5 billion rupees.

In the year 2000 they started manufacturing modular prefabricated structures using PU Sandwiched Panels manufactured in their own plant. These were needed for constructing telecom shelters for the nascent telecom industry in the country. Their client list quickly increased to Airtel, Hutch, Tata telecom etc.

These prefab shelters were also favored by other industries like GAIL, ONGC and Indian Railways.

In a competitive market they now find that making PU panels by batch process is uneconomical. They have decided to upgrade the process by installing a continuous PU Sandwich panel making plant which they want to import from Korea. They will be using Cyclopentane as the non-ODS foam blowing agent. The details of the plant being imported is given in the table below.

Table

SI No	Item	Qty.	P.O. No (H.S. No)	Cost in \$	Cost in INR
1	PUR Sandwich Panels Continuous Production Line	1 Line	DUT-06-10-15 8477 80 0000	21,52,500	9,04,05,000
Total cost INR					9,04,05,000
Appox. Duty payable @ 7.5 %					67,80,375 (67.8 Lakh)

For reducing fire hazard from use of Cyclopentane as foam blowing agent, the company will be using preblended polyol and will be storing minimum amount of Cyclopentane needed only for making up evaporative losses. Besides they will be using other fire warning and protection devices.

The company was one of earliest to receive assistance from MPMF to change our from ODS to non-ODS blowing agent but this is their first application for duty exemption.

The company has submitted all the supporting documents.

The committee may consider the application.



Agenda Item No.4

The application of **M/s Rinac India Ltd., Bangalore**, for duty exemption for import of a PUF Sandwich panel batch manufacturing line.

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. currently they are installing a continuous PUF Sandwich panel plant at Murbud, Mumbai as a part of their expansion program.

The company is now undertaking manufacture of open type display cabinets for use of cold drinks in large malls. For this they are putting up a PU Sandwich panel making plant for batch wise production of PUF panels using HCFC-141b as non ODS blowing agent. The plant will be located at Pantnagar (UP) for which SIDCUL has provide them with land and facilities.

For manufacture of this new item they are importing a PUF panel line with hot press and H.Pr. foaming machine from Italy. The details of machinery being imported is given in the table below.

Table

Sl. No	Eqpt. Des.	Qty.	P.O. No, Date & Supplier	Cost in EURO	Cost in INR
1	No. 1 PXE 65X15 2+2 Hot Press with Ecomaster 100/50 High pressure foaming machine.	One	2006/U4PO/3 dated 20/03/07 Impianti Oms Spa (Milano), Italy	Euro 2,75,000/-	1,50,15,000/-
Total					1,50,15,000/-
Duty payable approx. @ 7.5 %					11,26,125/-

The total cost of the machine is Rs. 1.5 Crore. Duty payable on it is approx. 11.26 Lacs @ 7.5%

The total cost of the project is Rs. 117.4 Million and will be met from internal accruals.

It may be mentioned that the company had received assistance from Montreal Protocol Multilateral Fund for their conversion project earlier. They have also received duty exemption assistance recently for importing a continuous panel making machine. This is their second application for duty exemption assistance.

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.



Agenda Item No. 5:

The application of **M/s Krishna Maruti Ltd.**, Gurgaon for duty exemption for import of one PU-Plant conveyORIZED with robotic pouring from Japan for manufacture of car seats.

M/s Krishna Maruti Ltd., a joint venture company of Suzuki Motor Corporation (29.24%), Maruti Udyog Limited (15.80%), and Ashok Kapur and Associates (54.96%), was set up in 1991 and started producing car seats as OEM supplier to M/s MUL since 1994. They had gradually added other PU items like back cushions and door trims etc in their manufacturing list. They are currently supplying 100% Door trims for models ALTO, Wagon-R, Swift and SX-4 of MUL. Their current capacity is 4.25 Lac door trims and 3.93 Lac seat sets all supplied to M/s MUL.

They produce high quality PU seats and are accredited with ISO 9002, QS 9000, ISO 14001, TS 16949 and OHSAS 18000 certifications. In the year 2005 their car seating division received the coveted Deming prize and was the youngest company to receive the prize awarded by JUSE. For seat making technology they have a technical license agreement with SNIC, Japan from the beginning.

Their plant is located at village Narsinghpur about 40 km from Gurgaon on NH-8 and have ample scope for further expansion.

The company is now planning to expand their car seat manufacturing capacity from 4.67 Lac units to 8.02 Lac units and are importing one sophisticated fully automatic PU foaming machine with moulds and other accessories as they expect increasing demands from their existing as well as new customers like Honda Motorcycles Ltd. The details of the plant and machinery being imported is given in the Table on the next page.

Table

Sl. No	Eqpt. Name & Qty	P.O. No & Date	Name & address of supplier	FOB value in Japanese YEN	Value in INR (Exchange rate 0.34)
1	(i) PEC make PU Plant, conveyORIZED with robotic pouring. 1 set	IO/15006 Dated 22 -12-06	M/s Sojitz Corporation 1- 20, Akasaka, 6-Chome, Minato-Ku, Tokyo 107 – 8655, Japan	16,79,65,940/-	5,71,08,410/-
	(ii) Supervision charges of installation & commissioning			1,10,00,000/-	37,40,000/- (Not eligible)
Total cost of machinery					5,71,08,410/-
Duty payable approx. @ 7.5%					42,83,131/-

It may be mentioned that the cost of supervision and installation (Jap. Yen 11,000,000) given in the table is not eligible for duty exemption.

The total cost of project is Rs. 660 Lacs. It will be funded partly by a loan of from City Bank (450 Lacs) and the balance would be funded from the company's own resources.

It may be mentioned that similar high pressure foam blowing machine have been recommended for many manufacturers earlier. This is the first application form this company.

The company has submitted all the necessary supporting documents.

The committee may consider the application.



