

F. No. 6/32/2023-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi -110001

Date: 29th January 2025

DISCLOSURE STATEMENT

Case No. AD(OI) – 04/2023

Subject: Anti-subsidy investigation concerning imports of “Textured Tempered Glass” originating in or exported Vietnam.

1. In accordance with Rule 16 of the Customs Tariff (Identification, Assessment and Collection of Anti-Subsidy Duty on Subsidized Articles and for Determination of Injury) Rules, 1995, as amended, the Designated Authority hereby discloses the essential facts under consideration in the matter relating to the above investigation. The disclosure statement comprises of the following four sections:

Section I: General disclosure

Section II: Determination of subsidy margin

Section III: Methodology for injury determination, examination of injury and causal link.

Section IV: Methodology for arriving at non-injurious price (confidential copy for the domestic industry only)

2. The sections cited above contain essential facts under consideration by the Designated Authority, which would form the basis for the final findings. The reproduction of facts does not tantamount to either acceptance or rejection of any fact / argument / submission. The arguments / submissions made by the domestic industry and other interested parties during the course of the present investigation are reflected in this disclosure statement to the extent they are considered relevant to this investigation by the Designated Authority.
3. Notwithstanding the facts given in this Disclosure Statement (including facts given on confidential basis), the Designated Authority would consider all replies given on merits, in order to arrive at a final determination.
4. In this disclosure statement ‘***’ represents information furnished by an interested party on confidential basis and so considered by the Designated Authority under the Rules.
5. The interested parties may submit their comments, if any, in soft copy, **along with a summary of the comments**, latest by **5th February 2025** by email to adv13-dgtr@gov.in, dir11-dgtr@gov.in and dd16-dgtr@gov.in . As noted below, the Authority has carried out issue wise analysis of the evidence presented before it. All interested parties are therefore requested to

follow the same pattern in filing their comments. Since anti-subsidy investigations are time bound, the Designated Authority shall not entertain any request for extension of time.

6. This is issued with the approval of the Designated Authority.

To,
All interested parties

-Sd-
(Vivek Singh)
Director
Email: dir11-dgtr@gov.in

GENERAL DISCLOSURE

Subject: Anti-subsidy investigation concerning imports of “Textured Tempered Glass” originating in or exported from Vietnam.

F. No. 6/32/2023-DGTR: - Having regard to the Customs Tariff Act 1975 as amended from time to time (hereinafter referred to as the ‘Act’) and the Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter referred as the ‘Anti-Subsidy Rules’ or the ‘Rules’ (hereinafter referred to as “AD Rules”));

A. BACKGROUND OF THE CASE

1. Borosil Renewable Limited (“hereinafter referred to as the ‘applicant’ or the ‘domestic industry’”) had filed an application, before the Designated Authority (hereinafter also referred to as the ‘Authority’), on behalf of domestic industry, in accordance with the Customs Tariff Act, 1975 and the Anti-Subsidy Rules for initiation of an anti-subsidy investigation concerning imports of the Textured Tempered Coated and Uncoated Glass (hereinafter also referred to as the ‘product under consideration’ or the ‘PUC’ or the ‘subject goods’ or ‘TTG’) originating in or exported from Vietnam (hereinafter also referred to as the ‘subject country’).
2. And whereas, in view of the duly substantiated application filed by the applicant, the Authority issued a public notice vide Notification No. 6/32/2023-DGTR dated 13th February 2024, published in the Gazette of India, initiating an anti-subsidy investigation into imports of PUC from the subject country in accordance with Rule 6 of the anti-subsidy rules to determine the existence, degree and effect of any alleged subsidy of the subject goods and to recommend the amount of countervailing duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

B. PROCEDURE

3. The procedure described below has been followed with regard to the investigation:
 - a. The Authority notified the embassy of Vietnam in India about the receipt of the present anti-subsidy application before proceeding to initiate the investigation in accordance with sub-rule (5) of Rule 6 supra.
 - b. The Authority invited the Government of Vietnam for consultation with the aim of clarifying the situation and arriving at a mutually agreed solution in accordance with Article 13 of the Agreement on subsidies and countervailing measures. The consultation was held on 26.12.2023, which was attended by the representatives of the Government of Vietnam.
 - c. The Authority issued a public notice dated 13th February 2024, published in the Gazette of India, Extraordinary, initiating the anti-subsidy investigation concerning the imports of the subject goods from the subject county.
 - d. The Authority sent a copy of the initiation notification to the government of the subject country, through their embassy in India, known producers and exporters from the subject

- country, known importers/users, the domestic industry, the other Indian producers as well as other interested parties, as per the addresses made available by the applicant and requested them to make their views known in writing within the prescribed time limits.
- e. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the governments of the subject country, through their embassy in India, in accordance with Rule 7(3) of the Rules. A copy of the non-confidential version of the application was provided to other interested parties, wherever requested.
 - f. The Authority sent an Exporter's Questionnaire to Flat (Vietnam) Company Limited, Vietnam to elicit relevant information in accordance with Rule 7(4) of the Rules:
 - g. The embassy of the subject country in India was requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time limit.
 - h. In response, the following producers/exporters from the subject country have responded by filing questionnaire responses:
 - (i) Flat (Vietnam) Co., Ltd
 - (ii) Flat (Hong Kong) Co., Limited
 - i. The Authority sent Importer's Questionnaire to the following known importers/users of the subject goods in India calling for necessary information in accordance with Rule 7(5) of the Rules.
 - (i) Mundra Solar PV Limited
 - (ii) Swelect Energy Systems Limited
 - (iii) Premier Energies Limited
 - (iv) Renewsys India Private Limited
 - (v) Goldi Solar Private Limited
 - (vi) Waaree Energies Limited
 - (vii) Alpex Exports Pvt Ltd
 - (viii) Vikram Solar Pvt Ltd
 - (ix) Topsun Energy Limited
 - (x) Tata Power Solar Systems Limited
 - (xi) Emmvee Photovoltaic Power Pvt Ltd
 - (xii) Navitas Green Solutions Pvt Ltd
 - (xiii) Sova Power Limited
 - j. None of the importers / users / consumers has filed any questionnaire response. However, post issuance of provisional findings in the anti-dumping investigation, following users / associations / importers have made representations in the instant investigation. The Authority has also considered their submissions accordingly.
 - i. North Indian Module Manufacturer Association ("NIMMA")
 - ii. Sustainable Projects Developers Association (SPDA)
 - iii. Goldi Solar Pvt. Ltd.
 - k. The Authority made available the non-confidential version of the submissions made by the various interested parties. A list of all the interested parties was uploaded on the

DGTR website along with the request to all of them to email the non-confidential version of their submissions to all the other interested parties.

- l. Request was made to the DGCI&S to provide the transaction-wise details of imports of the subject goods for the injury period and also the period of investigation. The Authority has relied upon the DGCI&S data for computation of the volume of imports and required analysis after due examination of the transactions.
- m. The non-injurious price (NIP) based on the optimum cost of production and cost to make & sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure-III to the Rules has been worked out so as to ascertain whether anti-subsidy duty lower than the subsidy margin would be sufficient to remove injury to the domestic industry.
- n. Physical inspection through on-spot verification of the information provided by the applicant domestic industry and exporters, to the extent deemed necessary, was carried out by the Authority. Only such verified information with necessary rectification, wherever applicable, has been relied upon for the purpose of present Final Findings.
- o. The period of investigation (POI) for the purpose of the present investigation is 1st January 2023 to 31st December 2023 (12 months). The examination of trends in the context of injury analysis covers a period of 2020-21, 2021-22, 2022-23 and the period of investigation.
- p. The submissions made by the interested parties during the course of this investigation, to the extent supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority, in the present disclosure statement.
- q. Information provided by the interested parties on a confidential basis was examined with regard to the sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on a confidential basis were directed to provide sufficient non-confidential version of the information filed on a confidential basis.
- r. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the views/observations on the basis of the facts available.
- s. The Authority provided time for providing comments on PUC/PCN. However, none of the interested parties provided any comment on the same.
- t. The Authority has considered all the arguments raised and information provided by all the interested parties, to the extent the same are supported with evidence and considered relevant to the present investigation. The Authority has examined the evidentiary documents submitted by the interested parties subsequent to preliminary findings, which has formed the basis for conclusions for the present disclosure statement.
- u. '***' in this notification represents information furnished by an interested party on a confidential basis and so considered by the Authority under the Rules.
- v. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = ₹ 83.52.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

8. The Authority, at the stage of the initiation notification, defined the product under consideration as follows:

“3. The product under consideration for the present investigation is 'Textured Toughened (Tempered) Glass with a minimum of 90.5% transmission of thickness not exceeding 4.2 mm (including tolerance of 0.2 mm) and where at least one dimension exceeds 1500 mm, whether coated or uncoated'.

C.1 Submissions made on behalf of the opposing interested parties.

- a. None of the interested parties have provided any comments on the PUC.

C.2 Submissions made by the domestic industry.

9. The domestic industry made the following submissions with regard to the scope of the product under consideration and the like article:
- a. The product under consideration is 'Textured Toughened (Tempered) Glass with a minimum of 90.5% transmission of thickness not exceeding 4.2 mm (including tolerance of 0.2 mm) and where at least one dimension exceeds 1500 mm, whether coated or uncoated' originating in or exported from Vietnam
 - b. The product in the market parlance is also known by various names such as Solar Glass, Solar Glass Low Iron, Solar PV Glass, High Transmission Photovoltaic Glass, Tempered Low Iron Patterned Solar Glass etc. Textured Tempered Glass is used as a component in Solar Photovoltaic Panels and Solar Thermal applications. The level of transmission can be achieved by keeping the iron content low, typically less than 200 ppm. The transmission level goes up by about 2%-3% when coated with an anti-reflective coating liquid.
 - c. The subject products are predominantly imported under tariff classification at the 8-digit level is 70071900 even though the same are being classified and imported under various subheadings of the Customs Tariff Act, 1975, as can be seen from the import data. However, it is noted that subject goods are also being imported in the sub-headings 70031990, 70051010, 70051090, 70052190, 70052990, 70053090, 70071900, 70072190, 70072900, 70169000, 70200090 and 85414011 as evidenced by the import data. Moreover, it is also submitted that the custom classification is indicative only and in no way, it is binding upon the product scope and the product description prevails in circumstances of conflict.
 - d. There is no known difference in the subject goods produced by the domestic industry and those imported from the subject country. The subject goods produced by the domestic industry and the subject goods imported from the subject country are comparable in terms of characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, distribution and market & tariff classification of the goods. The applicants have claimed that the subject goods, which are coming into India, are identical to the goods produced by the domestic industry. There are no differences either in the technical specifications, quality, functions

or end-uses of the subsidized imports and the domestically produced subject goods and the product under consideration manufactured by the applicants. The two are technically and commercially substitutable and hence should be treated as 'like article' under the Rules.

C.3 Examination by the Authority.

10. The product under consideration in the present investigation was, at the stage of initiation, defined as "Textured Toughened (Tempered) Glass with a minimum of 90.5% transmission of thickness not exceeding 4.2 mm (including tolerance of 0.2 mm) and where at least one dimension exceeds 1500 mm, whether coated or uncoated.
11. The PUC is also known by various other names such as solar glass, solar glass low iron, solar PV glass, high transmission photovoltaic glass, tempered low iron patterned solar glass etc. The PUC is used as a component in solar photovoltaic panels and solar thermal applications. The level of transmission can be achieved by keeping the iron content low, typically less than 200 ppm. The transmission level goes up by about 2%-3% when coated with an anti-reflective coating liquid.
12. The product under consideration is classified under the category 'Glass and Glassware' in Chapter 70 of the Customs Tariff Act, 1975 and further under 7003, 7005, 7007, 7016, 7020 and 8541 as per Customs Classification. However, Customs classification is indicative only and not binding on the scope of the investigation.
13. The Authority notes that there is no known difference in product under consideration produced by the Indian industry and exported from the subject country. Product under consideration produced by the Indian industry and imported from the subject country are comparable in terms of characteristics such as physical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. Thus, the Authority proposes to hold that the subject goods produced by the domestic industry are like article to the product under consideration imported from subject country in accordance with the anti-subsidy Rules.

D. SCOPE OF THE DOMESTIC INDUSTRY AND STANDING

D.1 Submissions made on behalf of the opposing interested parties.

14. The other interested parties have not made any submissions with regard to the scope of domestic industry and standing

D.2 Submissions made on behalf of the domestic industry.

15. The submissions of the domestic industry with regard to the scope of domestic industry and standing are as follows:
 - a. The present application has been filed by Borosil Renewables Limited (BRL) and they are the major producers of the subject goods in India.
 - b. There are five (5) other known producers of the subject goods in India.
 - c. The domestic industry has not imported the subject goods from the subject country and is not related to any exporter of the subject goods in the subject country or importer of the subject goods in India.

D.3 Examination by the Authority

16. Rule 2(b) of the Anti-Subsidy Rules defines the domestic industry as under"

'(b) 'domestic industry' means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged subsidized article or are themselves importers thereof in such case the term 'domestic industry' may be construed as referring to the rest of the producers'.

17. The Authority notes that the application has been filed by Borosil Renewables Limited (BRL). It is further noted that apart from applicant industry, there are 4 other producers namely Govind Glass & Industries Ltd, Triveni Renewables Private Ltd., Vishakha Glass Pvt. Ltd., and Gold Plus Float Glass Pvt. Ltd. who have commenced production in the POI.

18. The Authority further notes that the applicant has not imported the subject goods from the subject country and that it is not related to any exporter of the subject goods in the subject country or importer of the subject goods in India. Further, the production of the applicant accounts for a major proportion of the total domestic production. Thus, the proposes to hold that applicant constitutes domestic industry as defined under Rule 2(b) of the Anti-Subsidy Rules, and the application satisfies the requirement of standing in terms of Rule 6(3) of the Anti-Subsidy Rules.

E. CONFIDENTIALITY AND MISCELLANEOUS ISSUES

E.1 Submissions made on behalf of the opposing interested parties.

19. The other interested parties have made the following miscellaneous submissions:

- a. That the trade remedial measures on imports of textured tempered glass have been in place for over a decade. This prolonged reliance undermines the incentive for the domestic industry to improve efficiency and adapt to market changes, fostering dependency instead of competitiveness. It is further submitted that even WTO principles discourage the indefinite extension of trade remedies. Such prolonged measures distort market dynamics and reduce innovation, while unfairly impacting downstream industries dependent on imports.
- b. It was also submitted that the Domestic industry in previous investigations conducted in 2017, 2021, and 2023 consistently failed to prove that imports caused material injury to the domestic industry.
- c. Interested parties have requested imposing duties for 3 years instead of 5 as this would strike a balance between protecting the domestic industry and encouraging competitiveness. This will align with WTO principles discouraging prolonged protectionism.
- d. The responses of the association cannot be rejected. They also submitted that their submissions need to be addressed properly by the Authority.

E.2 Submissions made on behalf of the domestic industry.

20. The submissions of the domestic industry with regard to the miscellaneous submissions are as follows:
- a. In relation to submission / participation by user association, Domestic Industry submitted that as a matter of conscious and strategic decision, user associations never provide the requested information or files information required under the law / trade notice issued by the Authority. Since they are also being represented by legal professional, it would be injustice with the other interested parties including Domestic Industry to accept their response or even allow them to make further submissions in the investigation. Even post hearing also, none of the user associations have fulfilled their legal obligations. Therefore, the Authority should carefully consider their unsubstantiated submissions.
 - b. In relation to the issue of history of cases, Domestic Industry submitted that the history of the previous cases, that too, against different sources altogether, is of no legal or factual relevance to the fact of this case. The Authority is required only to see whether a case for imposition of anti-subsidy duties / extension of anti-dumping / subsidy duties is made out in the facts and circumstances of the case. It is further submitted that the previous measures are of no consequence in the present case, if the exporters are getting subsidy, then the domestic industry has no other option but to seek remedy under the laws of the land for appropriate relief. Since the exporters has not dispute receipt of benefit, Domestic Industry has all the rights to seek protection against such practices.
 - c. In relation to submission of interested parties that in the previous investigations, the Authority has not found any injury, Domestic Industry submitted that at a mere glance of the previous investigations against China and Malaysia, it would be clear to interested parties that the Authority has found injury in all the cases. However, against Malaysia, the Authority did not find any dumping and therefore, no duties were imposed against it.
 - d. Regarding impairment of rights of interested parties to participate, the Domestic Industry has submitted that once the initiation notification is published in the Official Gazette, it is presumed that all the interested parties have been sufficiently informed.
 - e. In relation to request of imposing duties for 3 years instead of 5, the Domestic Industry has submitted the interested parties failed to provide a single reason in support of their claim of recommending duties for 3 years and therefore, the Authority should disregard any such unsubstantiated and irrational submissions of the interested parties.

E.3 Examination by the Authority

21. With regard to confidentiality of information, Rule 8 of Anti-subsidy Rules provides as follows:

Confidential information:

- (1) *Notwithstanding anything contained in sub-rules (1), (2), (3) and (7) of rule 7, sub-rule(2) of rule 14, sub-rule(4) of rule 17 and sub-rule (3) of rule 19, the copies of applications received under sub-rule (1) of rule 6, or any other information provided to the designated Authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as ,such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.*

- (2) *The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.*
- (3) *Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.'*
22. Submissions made by the domestic industry and other opposing interested parties with regard to confidentiality to the extent considered relevant were examined by the Authority and addressed accordingly. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis. The Authority made available the non-confidential version of the evidences submitted by various interested parties in the form of public file. The Authority also notes that all interested parties have claimed their business-related sensitive information as confidential.
23. It has been contended that the anti-dumping /subsidy duty has been in force for more than a decade. In this regard, the Authority notes subject investigation is a fresh proceeding and does not involve a continuation of previously imposed duties. The Authority has conducted this investigation in strict compliance with the provisions of the Anti-Subsidy Rules. The Authority further notes that the Domestic Industry is fully entitled to legal recourse and protection, if it is established that exporters from any country are engaged in practices that is causing injury to the Domestic Industry.

SECTION – II

F. Determination of Subsidy and Subsidy margins

F.1 Submissions made on behalf of other interested parties.

24. The other interested parties have made the following submissions with regard to subsidy schemes and margins.
- a. The Authority has initiated an investigation without analyzing the programs adequately. The applicant did not establish the existence of the three elements comprising a countervailable subsidy, namely, (a) financial contribution, (b) benefit, and (c) specificity.
 - b. Most of the subsidies alleged by the applicant are simple assertions without any actual evidence.
 - c. The Authority should use the verified data filed by the exporter for analyzing the subsidy schemes and margins for any purpose.

F.2 Submissions made by the domestic industry

25. The domestic industry has made the following submissions with regard to the subsidy and subsidy margin:
- a. There is sufficient evidence showing that exporters/ producers/ their affiliates of the subject goods in the subject country have benefited from various countervailable subsidy programs.
 - b. The average useful life for machinery used in subject product in Vietnam is 5 to 7 years. The import duty exemptions on inputs for exported products are not countervailable as long as the exemption is extended to the production of exported products only. The Government of Vietnam must have a system in place to confirm the inputs consumed for exported products. If such a system does not exist or is not applied effectively, it will lead to countervailing of the entire amount of the exemption.
 - c. Government of subject country has not filed a response/ nor provided any meaningful information. Only the government can provide detailed information related to whether the said scheme is countervailable or not. The responding exporter can only provide information whether any benefit was received or not. In other jurisdictions, where the Government of the exporting country does not cooperate, the investigating authorities rely on the facts available and determine the countervailability of the schemes.
 - d. As per the information available in public domain, there are certain benefits available to the exporters of the subject goods in Vietnam. The government of Vietnam has also extended certain benefits to participating exporter also. Domestic Industry humbly request the Authority to calculate benefits for all the schemes irrespective of whether the same are identified by them or not in its application.

F.3 Calculation Methodology

26. Article 14 of ASCM, provides guidelines and methodology for calculating the benefit to the recipient conferred pursuant to paragraph 1 of Article 1 and further provides that any method

used by the investigating authority to calculate the benefit to the recipient shall be transparent and adequately explained. Further, any method used by the investigating authority to calculate the benefit to the recipient shall be provided for in their national legislation or implementing regulations of the Member concerned and its application to each particular case shall be transparent and adequately explained. In accordance with the requirement, the Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995 lays down the methodology of determination of quantum of subsidization. The determination in this investigation is in accordance with these guidelines.

F.3.1 Examination of the Subsidy programs alleged by the Petitioners

i. PROGRAM 1 & 2 (Import duty exemption on imports of raw materials for enterprises in non-tariff zones; Import duty exemption on imports of machinery and equipment)

a. Submission by the Domestic Industry

27. Vietnam's import duty exemption program (Import duty exemption on imports of raw materials for enterprises in non-tariff zones) provides tax relief for manufacturers in non-tariff zones specifically targeting export-oriented enterprises in zones like export processing and special economic zones. The program allows duty-free import of raw materials for producing export goods like textured tempered glass. Under import duty exemption on imports of machinery and equipment program it has been submitted that companies can import duty-free capital assets including machinery, equipment, components, parts, raw materials, specialized vehicles, and specific building materials.
28. The non-recurring, region-specific benefit aims to support industrial development by forgoing government revenue for manufacturers importing raw materials as well as capital assets in targeted regions.

b. Submission by Government of Vietnam/other interested parties

29. Government of Vietnam (GOV) has submitted that import and export duties are governed by the Law on Import and Export Duties. GOV has issued Decrees and Circulars including Law No. 107/2016/QH13 and other relevant guidance for implementation of this scheme. This is an incentive policy for export processing enterprises. In cases where imported raw material is used for manufacturing of goods meant for exports, the inputs will be exempt from import duty. It has further been submitted that there is no change in this scheme and it was operational during period of investigation. Law No. 107/2016/QH13 also provides for incentives on importation of fixed assets.
30. The participating exporter in its response has claimed to have received benefit under this scheme.

b. Examination by Authority

31. The Ministry of Finance (MOF) and the General Department of Vietnam Customs (GDVC) under MOF administer the import and export duty scheme. Governed by the Law on Import and Export Duties 107/2016/QH13 and supported by various decrees and circulars, this system provides guidelines on customs procedures, duty exemptions, and tax administration. Exemptions apply to raw materials, supplies, and components used in the production of exported goods, with businesses required to report the quantity and value of imported materials. The program provides for exemption on import duty on raw materials used in the manufacture of exported product. The Authority notes that no evidence and details have been furnished regarding the tracking system maintained by GDVC to ensure that entire raw material imported duty free is consumed in the production of exported product.

32. The Authority further notes that Law No. 107/2016/QH13 also provides for the following:

“11. Imports as fixed assets of an entity eligible for investment incentives as prescribed by regulations of law on investment, including:

a) Machinery and equipment; components, parts, spare parts for assembly or operation of machinery and equipment; raw materials for manufacture of machinery and equipment, components, parts, or spare parts of machinery and equipment;

b) Special-use vehicles in a technological line directly used for a manufacture project;

c) Building materials that cannot be domestically produced.

Exemption of import duty on the imports specified in this Clause also applies to new investment projects and extension projects.”

33. In view of the above, the Authority notes that the program ‘Import duty exemption on imports of raw materials for enterprises in non-tariff zones’ provide for financial contribution in the form of revenue foregone and benefit is thereby conferred. The subsidy program is also specific because it is contingent on export. Therefore, the Authority proposes to hold that the countervailing duty should be imposed against this subsidy program.

34. In relation to ‘Import duty exemption on imports of machinery and equipment’, it is noted that Law No. 107/2016/QH13 also provides for duty exemption of fixed assets for new investment projects and extension projects. Thus, this scheme provides financial contribution in the form of revenue foregone and benefit is thereby conferred. The subsidy program is also specific because it is only available to companies that meet specific eligibility criteria as noted above. Therefore, the Authority proposes to hold that the countervailing duty should be imposed against this subsidy program.

ii. **Program No. 3: Reduction of corporate income tax:**

a. Submission by the Domestic Industry

35. The agency responsible for administering this program is Hai Phong City Tax Department, Vietnam. This program offers corporate tax exemptions and reductions for companies for making new investments. As per the scheme the companies meeting eligibility criteria are exempt from 100% corporate income tax for 4 years and 50% reduction in tax payable for the

following 9 years. This applies to all activities conducted by the company, and no specific requirements exist regarding export performance, use of domestic goods, or specific industries. The key condition is that the company must operate in regions designated by the Government of Vietnam, making this scheme specific to certain geographical regions.

36. The Domestic industry has requested the Authority to countervail the subsidy as the exporter has also admitted to have availed the benefit under this scheme.

b. Submission by Government of Vietnam/other interested parties

37. It is submitted that the program offers corporate tax exemptions and reductions for companies investing in socialization projects in difficult socio-economic conditions, as defined by the government. Specifically, companies meeting eligibility criteria are exempt from corporate income tax for 4 years and benefit from a 50% reduction in tax payable for the following 9 years. This applies to all activities conducted by the company, and no specific requirements exist regarding export performance, use of domestic goods, or specific industries. The key condition is that the company must operate in regions designated as having difficult socio-economic conditions.
38. The quantum of assistance is based on the criteria outlined in the Law on Corporate Income Tax. Companies participating in the program must maintain records, such as tax returns, to document the benefits received. The program provides benefit, exempting companies from 100% corporate income tax for 4 years and offering a 50% tax reduction for the subsequent 9 years. This program is still in operation. The exporter has accepted to have received benefit under this scheme.

C Examination by Authority

39. Authority notes that the program provides exemption from income tax is governed by Corporate Income Tax 14/2008/QH12 (amended by Law 32/2013/QH13 and Law 71/2014/QH13) and Law of Foreign Investment as amended in 2000. The companies that meet the eligibility requirements are granted a complete exemption from Corporate Income Tax (CIT) for 4 years, followed by a 50% reduction in payable tax for the next 9 years. Thus, the program provides for financial contribution in the form of revenue foregone, which is otherwise due and benefit is thereby conferred. The program is also sector specific and region specific because it is limited to encouraged sectors or encouraged geographical regions. The exporter has accepted to have received the benefit under this scheme. The Authority, therefore, proposes to hold that countervailing duty should be imposed against this program.

iii. Program No. 4: Exemption and reduction of land & water rent

a. Submission by the Domestic Industry

40. The Ministry of Finance in Vietnam provides guidelines for implementing the law No. 67/2014/QH13, while local tax authorities handle land rent dossiers. During the POI, land and water surface rent collection was governed by Decrees 46/2014/ND-CP, which offer rent

exemptions and reductions for projects in disadvantaged areas or with significant investments. Under this program, the regional and local authorities provide land to the manufacturers of the subject goods in Vietnam. It is further submitted by the Domestic Industry that since the land was provided at pre-fixed rate, the purchase price or landed value may not reflect the correct picture.

b. Submission by Government of Vietnam/other interested parties

41. It is submitted by the GOV that in order to encourage enterprises to invest into geographical regions or areas with especially difficult socio-economic conditions, the GOV pursues a policy of exemption and reduction of land rent for companies who have investment projects in such regions. It is further submitted that the entities entitled to the exemption and reduction in the land rent and water surface rent are prescribed in Article 19 and Article 20 of the relevant Decree. Under this scheme, the tax authorities shall determine the amounts payable by the land renters or water surface renters and the amount that is exempted or reduced, in particular. The Directors of the Provincial Departments of Taxation shall decide the exempted amounts with regard to the economic organizations, foreign organizations and individuals. The Ministry of Finance shall give instructions on the procedures for the exemption and reduction in the land rents and water surface rents. This clause is regulated by Article 15 Circular No. 77/2014/TT-BTC regarding procedures for exemption and reduction of land rents, water surface rents. The application submitted to the tax authority shall be processed according to regulations of law on procedures for reception and transfer of documents on determination of financial obligations of the land user. According to the application mentioned in Clause 3 of this Article, the tax authority shall determine and decide the remitted land rent or water surface rent. It is also submitted that this program is still operational.
42. The exporter, however, has submitted that they have not received any benefit under this scheme as the rent applied to different companies is non-comparable for the rent applied to each company shall be determined case by case by the Dinh Vu Industrial Zone Joint Stock Company. The Dinh Vu Industrial Zone Joint Stock Company would set the minimum acceptable benchmark. The exporter however, submitted that the said minimum acceptable benchmark cannot be disclosed because it is the confidential information of the Dinh Vu Industrial Zone Joint Stock Company and also used to negotiate with other companies. The exporter submitted that despite Haiphong People's Government holds 25.1% equity of Dinh Vu Industrial Zone Joint Stock Company, Haiphong People's Government does not engage in the said company's daily operations. Therefore, the exporter submitted that the rent applied to them is completely based on the market price and therefore, this scheme should not be seen as subsidy from any perspective

c. Examination by Authority

43. The Authority notes from the response filed by GOV that under this scheme, the tax authorities shall determine the amounts payable by the land renters or water surface renters and the amount that is exempted or reduced, in particular. The Directors of the Provincial Departments of Taxation shall decide the exempted amounts with regard to the economic organizations, foreign organizations and individuals. Further, the GOV has neither denied nor accepted the receipt of

any benefit by producers / exporters of the subject goods under this scheme. GOV has submitted to gather this information from the participating producer. It is further noted that there is a significant degree of government oversight and direction in the context of the Dinh Vu-Cat Hai Economic Zone through HEZA, which manages Dinh Vu - Cat Hai Economic Zone (DEEPC). The GOV approves and grant investment incentives, including land-related incentives like rental exemptions or reductions through various ministries and agencies (including HEZA). It is also noted that GOV through various ministries and agencies (including HEZA), is responsible for approving and granting investment incentives, including land-related incentives like rental exemptions or reductions. It is thus noted that the Government of Vietnam (GOV) continues to exercise authority over land-use pricing, including determining lease rates for land leased directly from the government. Additionally, restrictions remain on land sub-leased by private parties, as the land-use contracts held by these private entities are granted by government agencies established under specific government decrees. Hence, the Authority notes that the acquisition of land-use rights in Vietnam is not governed by market-driven principles.

44. While the participating exporter has presented contracts with the local authorities and shown payments according to such contracts and has contended that the decided rates are market driven, the Authority in the absence of submission of any information by GOV in its questionnaire response on the complete price fixation mechanism and the nature of its agreement with the Dinh Vu Industrial Zone Joint Stock Company cannot conclude that the contracted amount is based on the market rates.
45. In view of the aforesaid, the Authority notes that this program provides financial contribution in the form of provision of goods or services at less than adequate remuneration. The program is also specific because it is region specific and is limited to certain encouraged sectors. The Authority proposes to hold that countervailing duty should be imposed against this subsidy program. It is further submitted that in the absence of any verifiable information, the Authority has resorted to the facts available in terms of Rule 7(8) for this scheme.

iv. **Program No. 5: Investment Support**

a. Submission by the Domestic Industry

46. The Ministry of Planning and Investment in Vietnam administers investment incentives under the Law on Investment 61/2020/QH14. This scheme is applicable to both foreign and domestic investors. Eligible projects include those in specific sectors, meeting financial or employment thresholds. Incentives are available for new and expansion projects, excluding those in mineral mining, commercial housing, and certain excise-taxed goods.

b. Submission by Government of Vietnam/other interested parties

47. It is submitted that under the Law no. 67/2014/QH13, the Vietnamese government provides non-recurring financial support to those companies which are situated in disadvantaged industrial parks through two mechanisms: partial capital investment support and concessional loan capital. The program offers grants via direct fund transfers or concessional loans to enhance

technical and social infrastructure, specifically targeting companies located in economically challenged geographic zones. Investment incentives shall be given to new investment projects and expansion projects. The level of each type of incentives shall be specified by regulations of the Law on Taxation, the Law on Accounting and the Law on Land. These benefits will not apply to Projects on investment in mineral mining, Projects on investment in manufacturing/sale of goods/services subject to special excise tax according to the Law on Special Excise Tax, except for projects on manufacturing of automobiles, aircrafts and yachts.

c. Examination by Authority

48. It is noted from the response of the GOV, that during the POI, investment incentives and assistance are provided under the Law on Investment 61/2020/QH14. Under the Law 61/2020/QH14, all entities can be eligible for the investment incentives and assistance regardless of whether they are invested by a foreign investor or a domestic investor. During the period of investigation, the criteria for determining eligibility for investment incentives or assistance are laid down in Law 61/2020/QH14 (Article 15). It is further noted that the GOV has not expressly confirmed that this scheme is not applicable to the producers/ exporters of the subject goods. The Authority further notes that as per the verified data on record, the cooperating exporter has not availed any benefit under this scheme.
49. In view thereof, the Authority notes that GOV is providing financial benefits to companies located in economically challenged geographic zones. Investment incentives shall be given to new investment projects and expansion projects. Thus, this scheme provides financial contribution in the form of grants and benefit is thereby conferred. The subsidy program is also specific because it is only available to companies that meet specific eligibility criteria as noted above. Therefore, the Authority proposes to hold that the countervailing duty should be imposed against this subsidy program. However, as per the verified data on record, the cooperating exporter has not availed any benefit under this scheme. The margins for all non-cooperating exporters have been determined based on the facts available in terms of Rule 7(8).

v. Program No. 6: Investment Credit by Vietnam Development Bank
a. Submission by the Domestic Industry

50. The Ministry of Planning and Investment in Vietnam administers investment incentives under the Law on Investment 61/2020/QH14. These incentives apply to both foreign and domestic investors. Eligible projects include those in specific sectors, meeting financial or employment thresholds (e.g., at least VND 6,000 billion in capital, VND 10,000 billion in annual revenue, or 3,000+ employees). Incentives are available for new and expansion projects, excluding those in mineral mining, commercial housing, and certain excise-taxed goods. Eligibility is based on project compliance, not export performance or the use of domestic over imported goods.

b. Submission by Government of Vietnam/other interested parties

51. It is submitted that Decree 32/2017/ND-CP on state investment credit prescribes the policy on state investment credit to be implemented by the Vietnam Development Bank (VDB). VDB is a policy bank which is 100% owned by the state and aimed at performing the state policy lending.

The lending functions of VDB includes implementing policies on investment credit for development (granting loans for development investment; post-investment support; investment credit guarantee); implementing policies on export credit (granting loans for export; export investment guarantee; guarantee for bidding participation and for implementation of export contracts). Since May 15, 2017, with the issuance of Decree 32/2017/ND-CP, VDB has no longer provided export credits. As per the submissions of the GOV, VDB only provided state investment credits to subjects under Appendix on Lists of projects eligible to borrow investment loans attached with in and in accordance with Decree 32/2017/ND-CP during the POI. The GOV has further submitted that textured tempered coated and uncoated glasses do not fall within the said lists.

c.Examination by Authority

52. The Authority notes that Decree No. 32/2017/ND-CP, issued by the Government of Vietnam on March 31, 2017, outlines the policy on state investment credit. The decree includes an appendix which mentions an extensive list of projects eligible for investment loans. The Authority notes that Vietnam Development Bank is providing financial benefits to list of projects defined under Appendix to the above Decree, as amended from time to time. Thus, this scheme provides financial contribution in the form of grants and benefit is thereby conferred. The subsidy program is also specific because it is only available to projects that appear in the list. However, the Authority further notes that the subject goods do not figure in the said appendix and therefore, are not eligible for financial grants by VDB. Therefore, the Authority proposes to hold that the countervailing duty should not be imposed against this subsidy program.

F.3.8 Subsidy margin.

33. The subsidy margin determined in the present investigation are as follows:

Program No.	Name of Program	Flat Glass Vietnam	Range %	Nature of Subsidy
Program No. 1	Import Duty Exemption on Raw material	***%	0-5	Export Contingent Subsidy
Program No. 2	Import Duty Exemption on Procurement of Fixed Assets	***%	0-5	Domestic
Program No. 3	Income Tax Exemption	***%	0-10	Domestic
Program No. 4	Exemption and reduction of land & water rent	***%	0-5	Domestic
Program No. 5	Investment Support	-	-	Domestic
Program No. 6	Investment Credit by Vietnam Development Bank	-	-	Domestic
	Total	***%	0-10	Domestic
	Net Countervailing Duty for Flat Glass Vietnam	***%		Net of Export contingent Subsidy
Residual		***%	0-10	

G. INJURY AND CAUSAL LINK

G.1 Submissions made on behalf of the opposing interested parties.

34. The opposing interested parties have made the following submissions with regard to injury and causal link.
- a. Domestic production volumes rose consistently during the period under investigation, disproving claims that imports suppressed production. This growth indicates that the domestic industry managed to increase output despite alleged injury from imports, suggesting that imports did not impede their competitiveness.
 - b. While import volumes increased, the domestic industry's selling prices also rose during some periods, indicating that imports did not lead to price suppression. The injury claimed by the domestic industry is not aligned with this data and points to other underlying factors.
 - c. The injury attributed to imports is overstated because it fails to consider significant external factors, such as raw material price volatility, global inflation, and supply chain disruptions. These factors independently impacted the domestic industry's financial health.
 - d. The domestic industry's losses stem from decisions like capacity over-expansion, which strained their financial resources. This expansion resulted in higher depreciation and interest costs, compounding operational inefficiencies. These self-inflicted issues cannot be attributed to imports.
 - e. The 22% Return on Capital Employed (ROCE) used to calculate NIP is excessive compared to renewable energy industry standards, which are typically around 14-15%. Such inflated benchmarks exaggerate injury margins, leading to unfair conclusions about injury from imports. The lack of clarity and consistency in the methodology used for calculating NIP has raised concerns among stakeholders. A standardized approach would enhance fairness and ensure that duty recommendations are based on realistic and equitable assessments.
 - f. The evidence fails to establish that imports are the primary cause of injury. Market dynamics, such as fluctuating demand and rising input costs, were likely more influential in determining the domestic industry's financial outcomes.
 - g. The domestic industry's outdated production technology and inefficient operations are key contributors to its challenges. Without modernizing their processes, the industry's financial problems will persist, irrespective of the presence of imports.
 - h. Imported solar glass adheres to internationally accepted standards, including those established by leading certification bodies like IEC (International Electrotechnical Commission). Domestic producers have yet to fully align their products with these benchmarks, particularly in terms of durability, optical clarity, and anti-reflective coating efficacy.
 - i. Renewable energy project developers argue that using lower-quality domestic glass can lead to higher maintenance costs and efficiency losses over time, discouraging foreign investment in India's solar sector. This reliance on imports is not a matter of preference but of necessity to ensure long-term project viability and performance.

- j. Imported textured tempered glass offers innovative features, such as bifacial technology compatibility and high thermal stability, which domestic manufacturers have not yet been able to replicate. This technological gap further reinforces the reliance on imports for modules intended for large-scale solar projects.
- k. The domestic industry's failure to invest in R&D to meet these specialized needs exacerbates the issue, leaving downstream industries no choice but to source high-quality glass internationally.
- l. Quality issues in domestically produced glass can compromise module efficiency, increase energy losses, and reduce the overall lifespan of photovoltaic systems, making imports indispensable for ensuring reliability and competitiveness in international markets.
- m. It was also emphasized that quality variations in local glass have previously resulted in increased rejection rates during module manufacturing, driving up operational costs for manufacturers and forcing reliance on imports to maintain production schedules and quality benchmarks.
- n. Interested parties have highlighted significant concerns regarding the inability of domestic producers to meet the strict specifications required by global standards for advanced solar modules. For instance, imported glass often achieves transmission rates exceeding 91%, while domestic producers struggle to consistently meet these thresholds, leading to performance issues in solar panels.

G.2 Submissions made on behalf of the domestic industry.

35. The domestic industry has submitted as follows on the issue of injury and causal link:
- a. Despite the presence of the domestic industry and other producers, the imports have dominated the entire market. The imports from subject country constitute remained significant of the market share during the period of investigation.
 - b. The subsidized imports are undercutting the prices of the domestic industry which is significantly positive during the period of investigation.
 - c. The subject imports have continuously caused strain on the prices of the domestic industry as they were priced lower than the selling price of the domestic industry throughout the injury period.
 - d. In the period of investigation, the landed value of the subject goods was below the cost of sales and selling price of the domestic industry. This clearly shows the price pressure on the domestic industry.
 - e. The subsidized imports have had a suppressing effect on the prices of the domestic industry.
 - f. The share of the domestic industry in the demand is a meagre **%, despite having sufficient capacity to meet the Indian demand.
 - g. Due to the constant pressure of subsidized imports, the domestic industry has not been able to dispose of its production sufficiently. As a result, the domestic industry was forced to undertake exports to dispose of their inventories to avoid piling up the goods.
 - h. In the period of investigation, the profitability of the domestic industry has declined by nearly **% when compared to the base year. The domestic industry has also faced significant cash losses and a negative return of **%. This is substantial by any standards.
 - i. The domestic industry has also submitted that post initiation, their losses increased substantially and imports also increased.

- j. There is a critical need for the imposition of an interim duty in the present case because the domestic industry has been struggling to maintain its operations, leaving aside reaching desired levels.
- k. In relation to the alleged high return, it is submitted that the return of 22% has been the consistent practice of the DGTR which has also been upheld by the higher authorities in a number of cases. Moreover, the return of 22% is on capital employed (working capital and fixed assets) determined with proper guidelines and is used for the limited purpose of arriving at the NIP. Domestic Industry also highlighted that 22% of ROCE typically translated to *** to ***% profit on cost and even less in many cases and, therefore, this cannot be considered as high or extraordinary. In support of 22%, Domestic Industry has also provided judgements wherein courts / tribunals have upheld 22% return on capital employed.
- l. The Domestic Industry emphasizes that injury parameters cannot be analyzed in isolation. Domestic Industry has submitted that both price undercutting and price depression exist in the present case and therefore, requirements of Article 3.2 of the AD Agreement are clearly met with. Similarly, as per Article 3.4 of the AD Agreement, the Domestic Industry highlights that all relevant economic factors must be evaluated collectively, even if not all of them may indicate injury.
- m. Domestic Industry also provided statistical evidence of injury and submitted that increased installed capacity to meet increasing demand, should not be interpreted as an absence of injury, as claimed by the interested parties. They have also highlighted that there is huge increase in the inventories despite higher production, sales and demand, indicating injurious impact of subject goods from subject countries.
- n. It is further submitted that verified data on record shows that Domestic Industry is suffering critically as there are losses, negative return on investment, coupled with increased inventories and reduced capacity utilization declining sales realization and losses, worsening financial performance, and reduced market share.
- o. In relation to demand and supply gap, the Domestic Industry submitted that Indian producers can meet ***% of Indian demand but has faced challenges due to dumped imports since the discontinuation of anti-dumping duties in 2022. It is further submitted that despite added module manufacturing capacities, domestic glass production has not gone up essentially due to unremunerative prices on account of incessant dumping / subsidy.
- p. Domestic Industry has submitted that levy of provisional duties has revitalized plans for capacity expansion. It is also stated that even the 2024 budget speech of the Hon'ble Finance Minister supports these efforts. It is further submitted that due to sufficient domestic solar glass capacities existing in the country, exemptions of basic customs duty on imports of the subject goods have been discontinued.
- q. In relation to quality claims, Domestic Industry submitted that the quality of its goods is on par with imported goods. It is further submitted that the claims of inferior quality by some parties lack factual evidence, as no supporting data or impact on final products has been provided. In relation to specific issues raised by the interested parties, the Domestic Industry has submitted that most of the issues raised by the interested parties barring some stray instances, are not concerned with the product as such. It has been further submitted that transition from "glass-to-back sheet" to "glass-to-glass", technology has increased demand and is unrelated to quality concerns. Further, issues relating to pasting, blasting

during lamination, adhesive failure cannot be attributed to quality of glass. None of the interested parties has provided any evidence to show that their modules were downgraded in quality index by their users because of using subject goods produced by Domestic Industry.

- r. In addition to above, it is submitted that the quality claims against the Domestic Industry account for less than ***% of total sales volume, indicating its insignificance. Domestic Industry further submitted that the Authority has consistently dismissed quality-related arguments when domestic and imported products are substitutable in the market.
- s. In relation to claims of higher depreciation and interest costs, Domestic Industry submits that both depreciation and interest costs account for only ***% of total costs, which is insufficient to account for the massive losses and cash losses of the industry.

G.3 Examination by the Authority

- 36. In consideration of the various submissions made by the interested parties and the domestic industry in this regard, the Authority has examined injury to the domestic industry on account of subsidized imports from the subject countries.
- 37. Rule 13 of the Subsidy Rules deals with the principles governing the determination of injury which provides as follows:
 - 13. Determination of injury-
 - (1) In the case of imports from specified countries, the designated authority shall give a further finding that the import of such article into India causes or threatens material injury to any industry established in India, or materially retards the establishment of an industry in India.
 - (2) Except when a finding of injury is made under sub-rule (3), the designated authority shall determine the injury, threat of injury, material retardation to the establishment of an industry and the casual link between the subsidized import and the injury, taking into account inter alia, the principle laid down in Annexure I to the rule.
 - (3) The designated authority may, in exceptional cases, give a finding as to the existence of injury even where a substantial portion of the domestic industry is not injured if –
 - (i) there is a concentration of subsidized imports into an isolated market, and
 - (ii) the subsidized imports are causing injury to the producers of almost all of the production within such market.
- 38. In relation to issues related to appropriate return for the purpose of Non-Injurious Price, it is noted that the Authority has consistently used 22% return on capital employed in all its investigations and no substantive grounds have been made to deviate from Authority's consistent practice which has been also upheld by Courts/Tribunals in the past.
- 39. In relation to quality issues, it is noted that none of the interested parties has provided any concrete evidence related to technical difficulty in achieving specific quality specifications by the Domestic Industry. Some interested parties have submitted email communications and minutes of the meeting stating quality issues pertaining to the goods produced by the Domestic Industry. Domestic Industry has refuted the claims supported by email communications and minutes of

the meeting with customers. The Authority also checked the compensation given by the Domestic Industry for not meeting the quality during the POI and it was found to be miniscule. It is also noted that total quality claims received by the Domestic Industry is less than ***% of their total sales.

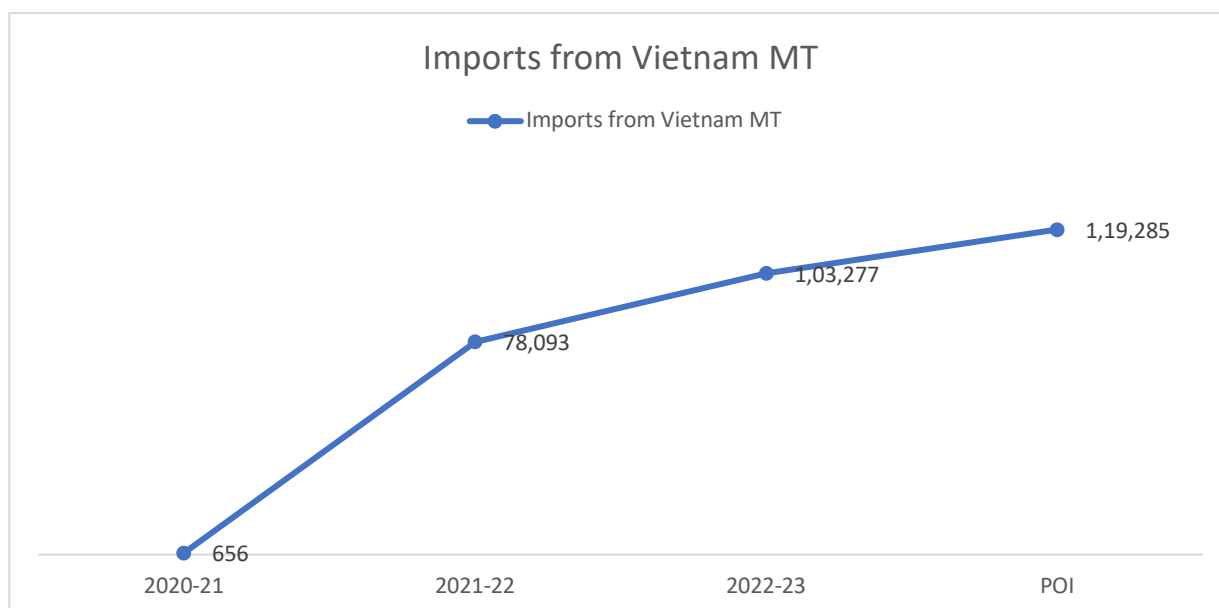
40. It is noted that the Authority has carried out a parallel investigation with regard to injurious dumping from both China and Vietnam wherein the period of investigation was identical to the period considered in the present investigation i.e., January 2023 to December 2023. The Authority further notes that in the said findings a positive determination is made with regards to the injurious imports from China as well as Vietnam. The determination made therein is relevant here as well.
41. The Authority has examined the arguments and counter-arguments of the interested parties with regard to injury to the domestic industry. The injury analysis made by the Authority hereunder addresses the various submissions made by the interested parties.

Volume effect of the subsidized imports

G.3.1 Assessment of demand / apparent consumption

42. The Authority has defined, for the purpose of the present investigation, demand or apparent consumption of the product concerned in India as the sum of the domestic sales of the domestic industry and other Indian producers and imports from all sources. The demand so assessed is given in the table below:

Particulars	UoM	2020-21	2021-22	2022-23	POI
Imports from Subject Country	MT	656	78,093	1,03,277	1,19,285
Imports from Other Countries	MT	1,58,144	1,20,343	2,92,247	6,76,269
Total Imports	MT	1,58,799	1,98,436	3,95,524	7,95,555
% share of Imports in Total Imports					
Imports from Vietnam	%	0.41%	39.35%	26.11%	14.99%
Imports from Subject Country	%	0.41%	39.35%	26.11%	14.99%
Imports from Other Countries	%	99.59%	60.65%	73.89%	85.01%
Domestic Sales	MT	***	***	***	***
Trend	Indexed	100	109	107	188
Sales of the Other Producers	MT	-	-	-	***
Trend	Indexed				100
Total Demand	MT	***	***	***	***
Trend	Indexed	100	120	203	411
Share in Demand					
Imports from Subject Country	Indexed	***	***	***	***
Trend	Indexed	100	9,950	7,766	4,429
Imports from Other Countries		***	***	***	***
Trend	Indexed	100	64	91	104
Total Imports		***	***	***	***
Trend	Indexed	100	104	123	122
Domestic Sales		***	***	***	***
Trend	Indexed	100	91	53	46
Sales of the Other Producers		0	0	0	***
Trend	Indexed				100



43. In view of the observations made in Para 40, the Authority notes the following with respect to volume related parameters:

- a. Imports from countries (China and Vietnam) showed a significant increase over the years. Starting at 29,980 MT in 2020-21, they surged to 779,017 MT during the POI (Period of investigation).
- b. Vietnam's Contribution: Imports from Vietnam increased from 656 MT in 2020-21 to 119,285 MT in the POI, with the highest spike between 2020-21 and 2021-22.
- c. Total Imports: Reflecting the rise in imports from subject country, the total imports grew significantly from 158,799 MT in 2020-21 to 795,555 MT in the POI, indicating a shift towards imports from China and Vietnam.
- d. Sales of the domestic industry: Sales volumes of the domestic industry remained relatively stable over the first three years, ranging between *** MT to *** MT, and increased to *** MT during the POI.
- e. Sales of Other Domestic Producers: There were no sales recorded for other domestic producers from 2020-21 to 2022-23. Sales of ***MT were made during the POI.
- f. Total Demand/Consumption: The overall market demand or consumption has been on an upward trend throughout the period, growing from *** MT in 2020-21 to ***MT during the POI, indicating increased market activity.

G.3.3 Price effect of subsidized imports

44. In terms of Annexure II (ii) of the Rules, with regard to the effect of the subsidized imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the subsidized imports as compared with the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increase, which otherwise would have occurred, to a significant degree.

a) Price undercutting

45. Price undercutting has been determined by comparing the net sales realization of the domestic industry with the landed price of the imports for the period of investigation. It is seen that the price undercutting is positive during the period of investigation.

Particulars	Unit	2020-21	2021-22	2022-23	POI
Landed value	Rs./MT	65,191	50,435	44,181	40,265
Trend	Indexed	100	77	68	62
Domestic selling price	Rs./MT	***	***	***	***
Trend	Indexed	100	118	113	95
Price Undercutting	Rs./MT	***	***	***	***
Trend	Indexed	(100)	39	61	33
Price Undercutting %	%	***	***	***	***
Price Undercutting %	Range	Negative	10-20	20-30	10-20

It is noted that during the period of investigation, the subject imports were undercutting the prices of the domestic industry.

b) Price suppression/depression

46. In order to determine whether the subsidized imports are depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increase which otherwise would have occurred in the normal course, the changes in the costs and prices over the injury period, were compared as below:

Particulars	Unit	2020-21	2021-22	2022-23	POI
Cost of sales Domestic	₹/MT	***	***	***	***
Trend	Indexed	100	109	119	105
Selling price	₹/MT	***	***	***	***
Trend	Indexed	100	114	111	93
Landed Price	₹/MT	***	***	***	***
Trend	Indexed	100	77	68	62

66. The Authority notes from the above that the landed value of the imports was below the selling price of the domestic industry throughout the injury period.
67. During the period of investigation, the landed value of the subject goods remained lower than the cost of sales of the domestic industry and its domestic selling prices. This prevented the domestic industry from keeping its price in tandem with the cost of sales. It is, therefore, noted that the imports have prevented price increase, which otherwise, would have occurred. Thus, the imports have had suppressing effect on the prices of the domestic industry.

G.3.4 Economic parameters related to the domestic industry

68. Anti-Subsidy Rules requires that the determination of injury shall involve an objective examination of the consequent impact of subsidized imports on domestic producers of the subject goods. The Rules further provide that the examination of the impact of the subsidized

imports on the domestic industry should include an objective evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of subsidy; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. The various injury parameters relating to the domestic industry are discussed herein below.

a) Production, capacity, capacity utilization and sales volumes

69. Capacity, production, sales and capacity utilization of the domestic industry over the injury period were as below:

Particulars	UoM	2020-21	2021-22	2022-23	POI
Capacity (MT)	MT	***	***	***	***
Trend	Index	100	114	128	232
Demand	MT	***	***	***	***
Trend	Index	100	120	203	411
Total Production (MT)	MT	***	***	***	***
Trend	Index	100	115	125	199
Production PUC only (MT)	MT	***	***	***	***
Trend	Index	100	118	129	209
Capacity utilization (%)	%	***	***	***	***
Trend	Index	100	100	98	86
Domestic Sales	MT	***	***	***	***
Trend	Indexed	100	109	107	188
Export Sales	MT	***	***	***	***
Trend	Indexed	100	153	210	271
Demand / Consumption	MT	***	***	***	***
Trend	Indexed	100	120	203	411

70. From the above, the Authority notes that:

- a. The domestic industry has increased their capacity throughout the injury investigation period to cater to the increasing demand of India. Capacity utilization of the domestic industry was ***% of the installed capacity during the period of investigation. This implies that around ***% of the installed capacity remained unutilized, despite significant increase in the demand of the subject goods.
- b. The domestic sales of the domestic industry are negligible (around ***%), in comparison to the total demand of the subject goods.
- c. As per the data available on record, other producers have combined capacity of *** MT. The total available capacity in India along with applicant industry is as follows:

Particulars	Capacity	Sales	Imports - Total	Total Demand
Production (MT)				
Applicant (MT)	***	***		

Gobind Glass & Industries Ltd. (MT)	***	***		
Triveni Renewables Private Ltd. (MT)	***	***		
Vishakha Glass Pvt. Ltd. (MT)	***	***		
Gold Plus Float Glass Pvt. Ltd. (MT)	***	***		
Emerge Glass (MT)	***	***		
Total (MT)	***	***	795,555	***

- d. From the above, it is noted that currently Indian producers have around 84% of the Indian demand. Moreover, as submitted by the Indian industries, some of the other producers have delayed the installation of their machineries because of influx of imports from China, post expiry of anti-dumping duties.

b) Market Share

71. Market share of the domestic industry and of imports was as shown in the table below:

Market share	Unit	2020-21	2021-22	2022-23	POI
Domestic industry Sales	MT	***	***	***	***
Trend	Indexed	100	109	107	188
Sales of Other Indian Producers	MT	0	0	0	***
Trend	Indexed	-	-	-	100
Total Indian Sales	MT	***	***	***	***
Trend	Indexed	100	109	107	225
Imports from Subject country	MT	***	***	***	***
Trend	Indexed	100	11,912	15,753	18,195
Imports from Other Countries	MT	***	***	***	***
Trend	Indexed	100	76	185	428
Total Imports	MT	***	***	***	***
Trend	Indexed	100	125	249	501
Demand in India	MT	***	***	***	***
Trend	Indexed	100	120	203	411
Market Share					
Domestic industry	%-	***	***	***	***
Trend	Indexed	100	91	53	46
Other Producers Industry	%-				***
Trend	Indexed				100
Indian producers	%-	***	***	***	***
Trend	Indexed	100	91	53	55
Subject imports	%-	***	***	***	***

Market share	Unit	2020-21	2021-22	2022-23	POI
Trend	Indexed	100	9,950	7,766	4,429
Other Country Imports	%-	***	***	***	***
Trend	Indexed	100	64	91	104

72. It is noted that despite having sufficient capacity of approximately ***% of the demand, the share of the domestic industry in the Indian market is only ***%.

Inventories

73. Inventory position of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2020-21	2021-22	2022-23	POI
Opening Inventory	MT	***	***	***	***
Closing Inventory	MT	***	***	***	***
Average Inventory	MT	***	***	***	***
Trend	Indexed	100	104	289	405

74. It is noted that the average inventories of the domestic industry have increased throughout the injury investigation period. Further, it is seen that the average inventory was highest during the period of investigation.

i. Profit/loss, cash profit and return on capital invested.

75. Profitability, return on investment and cash profits of the domestic industry over the injury period are given in the table below:

Particulars	Unit	2020-21	2021-22	2022-23	POI
Cost of sales (domestic)	₹/MT	***	***	***	***
Trend	Indexed	100	109	119	105
Selling price	₹/MT	***	***	***	***
Trend	Indexed	100	114	111	93
Profit/ (loss)	₹/MT	***	***	***	***
Trend	Indexed	-100	-56	-236	-269
Profit/ (loss)	₹ Lacs	***	***	***	***
Trend	Indexed	-100	-61	-253	-505
Cash Profit / Loss	₹ Lacs	***	***	***	***
Trend	Indexed	-100	-43	-316	-633
Return of investment	%	***	***	***	***
Trend	Indexed	-100	-83	-269	-453

76. From the above, the Authority notes that:

- The selling price of the domestic industry has declined in the POI vis-à-vis year 2021-22 and 2022-23
- During the POI, the cost of the domestic industry declined, however, the decline in selling price was steeper. The applicant has submitted that this has further worsened their position.

- c. The applicant has incurred losses and cash losses and is suffering negative return on investment during the period of investigation.

ii. Employment, wages and productivity.

77. The Authority has examined the information relating to employment, wages and productivity, as given below.

Particulars	Unit	2020-21	2021-22	2022-23	POI
No. of employees	Nos.	***	***	***	***
Trend	Indexed	100	125	172	177
Salaries & Wages	₹ Lacs	***	***	***	***
Trend	Indexed	100	153	118	115
Salaries & Wages	Rs/Nos	***	***	***	***
Trend	Indexed	100	122	68	65
Productivity per day	MT/Days	***	***	***	***
Trend	Indexed	100	118	129	209
Productivity per employee	MT/Nos	***	***	***	***
Trend	Indexed	100	95	75	118

78. It is noted that the number of employees increased throughout the injury investigation period, as the domestic industry has increased the capacity to cater to the increased demand. It is further noted that the productivity has also increased which shows that there is no negative impact of increase in the number of employees.
79. The salary paid to the employees decreased by around ***% i.e., from 100 indexed points in the base year to *** indexed points in the period of investigation, which, as submitted by the domestic industry indicates the negative impact of subsidy on it.

iii. Growth.

Particulars	Unit	2020-21	2021-22	2022-23	POI
Demand – MT	%		***	***	***
Production – MT	%	-	***	***	***
Domestic Sales - MT	%		***	***	***
Market share %	%		***	***	***
Domestic sales - Rs/MT	%	-	***	***	***
Profit / Loss - Rs/MT	%	-	***	***	***
Cash Profits - Rs/MT	%	-	***	***	***
Return on capital employed %	%	-	***	***	***

80. From the above, the Authority notes that the demand of the subject goods increased substantially during the injury investigation period. However, the domestic sales and market share have not increased in the same ratio. Profitability, cash flow and return on capital employed were significantly negative in the period of investigation which is reflective of the deterioration of performance of the domestic industry during the period of investigation.

iv. Ability to raise capital investment.

81. The applicant has submitted that it has incurred steep losses and is facing negative returns. The Earnings Before Interest, Taxes, Depreciation, and Amortization (EBIDTA) has continuously deteriorated over the injury period and remained negative. The applicant has further submitted that the negative EBIDTA shows that the domestic industry is not earning enough to even meet its present obligations and there is a negative impact on the ability to raise capital investment.
- v. Margin of subsidy.
82. The margin of subsidy is an indicator of the extent to which the subsidized imports can cause injury to the domestic industry. The subsidy margin is positive and significant for Vietnam.

Factors affecting prices of the domestic industry.

83. It is noted that the domestic industry has not been able to increase its prices to a remunerative level during the period of investigation. The imports have forced the domestic industry to sell the goods below cost. Further, the low-priced imports have also resulted in low market share, and underutilized capacity of the Domestic Industry. Thus, the subject imports from Vietnam have adversely affected the prices of the domestic industry.

H. NON-ATTRIBUTION ANALYSIS.

84. Having examined the existence of injury, volume and price effect of subsidized imports on the prices of the domestic industry, the Authority has examined whether injury to the domestic industry can be attributed to any factor, other than the subsidized imports, as listed under the Rules.
- a. **Volume and price of imports from third countries.**
85. It is noted that imports from non-subject country are negligible by the way of volume except China. It is noted that anti-dumping investigations are underway with respect to China. Therefore, the injury caused cannot be attributed to the third countries.
- b. **Contraction in the demand**
86. The Authority notes that the demand for the subject goods has increased throughout the injury investigation period. Therefore, the domestic industry has not suffered injury due to a contraction in demand.
- c. **Pattern of consumption**
87. It is noted that there has been no material change in the pattern of consumption of the product under consideration, which could have caused injury to the domestic industry.
- d. **Conditions of competition**
88. The Authority notes that there is no evidence of conditions of competition or trade restrictive practices that could have been responsible for the claimed injury to the domestic industry.
- e. **Developments in technology**
89. The Authority notes that there has been no change in technology for the production of the subject goods that could have caused injury to the domestic industry.

f. Export performance of the domestic industry

90. The injury information examined hereinabove relates only to the performance of the domestic industry in terms of its domestic market. Thus, the injury suffered cannot be attributed to the export performance of the domestic industry.

I. MAGNITUDE OF INJURY MARGIN.

92. The Authority has determined Non-Injurious Price for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The non injurious price of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The non-injurious price has been considered for comparing the landed price from the subject country for calculating the injury margin. For determining the non-injurious price, the best utilisation of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilisation of production capacity over the injury period has been considered. It is ensured that no extraordinary or non-recurring expenses are charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e. average net axed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules and being followed.
93. The landed price for the cooperative exporters has been determined on the basis of the data furnished by the exporters. For all the non-cooperative producers/exporters from the subject country, the Authority has determined the landed price based on the facts available.
94. Based on the landed price and non-injurious price determined as above, the injury margin for producers/exporters has been determined by the Authority and the same is provided in the table below:

Producer	Landed value (USD/MT)	NIP (USD/MT)	Injury margin (USD/MT)	Injury Margin (%)	Injury Margin
					(Range)
Vietnam					
Flat (Vietnam) Solar Glass Co., Ltd/ Flat (Hong Kong) Co., Limited., Ltd.	***	***	***	***	50-60
Others	***	***	***	***	50-60

J. ISSUES OF THE INDIAN INDUSTRY

J.1 Submissions made on behalf of the opposing interested parties.

95. The other interested parties have made following submissions with regard to the Indian industry's interest.
- a. Anti-subsidy duties on solar glass will significantly raise production costs for solar module manufacturers, particularly those relying on imported textured tempered glass for advanced photovoltaic technologies. This increase in cost will not only affect India's solar competitiveness but also slow down progress toward achieving national climate goals and renewable energy targets.
 - b. The downstream industries argue that higher costs could lead to reduced adoption of solar energy due to less competitive pricing in both domestic and global markets, further disadvantaging India in its green energy initiatives.
 - c. It was also submitted that the impact of duties is much more than what is indicated by the Authority in the provisional findings. According to the calculation submitted by them the impact of the duties would be around 3% from Vietnam and 6% from China.

J.2 Submissions made on behalf of the domestic industry.

96. The domestic industry has made the following submissions with regard to the Indian industry's interest:
- a. The domestic industry has the capacity to cater around *** % the Indian demand.
 - b. It is further noted that apart from the domestic industry, five more producers have set up plants for production of the subject goods with the intention of making India self-sufficient.
 - c. If the current situation continues, the domestic industry will have no option but to permanently shut down its operations and India and it will once again become import dependent.
 - d. In light of the widening trade deficit, it is important to rely more on domestic production capacities. Imposition of duties would allow conservation of the outgoing foreign exchange favoring the balance of payment account
 - e. The impact of the imposition of anti-subsidy duty on subject goods will be negligible as compared to the cost of the solar module.
 - f. Since there are already six players in the market and few more are to commence production, this would ensure that there is no monopoly in India and that the users would have enough sources in the domestic market as well.
 - g. The product under consideration can be imported at fair prices from other sources also and, therefore, there would be no adverse impact on users.
 - h. Domestic Industry submitted that Solar Photovoltaic Panels/ module manufacturers have 40% BCD and support of Approved List of Module Manufacturers (ALMM). This gives protection to the solar module manufacturers from low priced imports from China and other countries. It is also important to state that the subject goods constitute very small

portion of the cost of solar module. Therefore, there would be no serious adverse impact of the anti-subsidy duties on the end product.

- i. In relation to impact of duties, it is submitted that the impact of duties on subject goods would be miniscule on module cost based on prevailing costs in the POI. In terms of impact on the per unit cost of electricity, the impact of duties on subject goods would be much less. Thus, the impact the anti-subsidy duties on the subject goods is either non-existent or very insignificant.
- j. Domestic Industry has also submitted that subsidy duties would significantly contribute towards creating a local supply chain for a critical component and also to achieve the larger goal of “Atmanirbhar Bharat” in this strategically important sector besides saving the foreign exchange outgo and create jobs. Therefore, the duties are in interest of Indian users.

G.3 Examination by the Authority.

97. The Authority underscores that the primary objective of anti-subsidy duties is to rectify the injury inflicted upon the domestic industry by the unjust trade practices of subsidy, thereby fostering an environment of open and equitable competition in the Indian market. The imposition of anti-subsidy measures is not designed to curtail imports from the subject country arbitrarily. Rather, it is based on a detailed analysis regarding subsidy injury and the causal link between the two and is a mechanism to ensure a level playing. The Authority acknowledges that the presence of anti-subsidy duties may influence the price levels of the product in India. However, it is crucial to note that the essence of fair competition in the Indian market will remain unscathed by the imposition of these measures. Far from diminishing competition, the imposition of anti-subsidy measures serves to prevent the accrual of unfair advantages through subsidy practices. It safeguards the consumers' access to a broad selection of the subject goods. Thus, anti-subsidy duties are not a hindrance but a facilitator of fair-trade practices.
98. The Authority issued initiation notification inviting views from all the interested parties, including importers, consumers and others. The Authority also prescribed a questionnaire for the users/ consumers to provide relevant information about the present investigation. An Economic Interest Questionnaire was also prescribed to allow various stakeholders, including the domestic industry, producers/exporters and importers/users/consumers to furnish pertinent information related to the ongoing investigation including the possible effect of anti-subsidy duty on their operations.
99. The Authority sought information on, inter-alia, interchange ability of the product supplied by various suppliers from different countries, ability of the domestic industry to switch sources, effect of anti-subsidy duty on the consumers, factors that are likely to accelerate or delay the adjustment to the new situation caused by imposition of anti-subsidy duty.
100. The Authority notes that no user of the subject goods has stepped forward to participate before the Authority or furnished a response to the Economic Interest Questionnaire. Furthermore, no party has presented any evidence to indicate the adverse effect of the duties in force. This lack

of evidence and participation of the stakeholders underscores the Authority's position and reinforces the necessity of anti-subsidy measures to ensure fair trade practices.

101. The Authority, however, notes that the domestic industry, based on the current market prices, has provided an estimate of the possible impact of the anti-subsidy duties on the end consumers in the following table:

Particulars	Reference	UoM	Amount
Price of 540 Wp solar module based on MIC) solar cells	A	Rs./Module	***
Subject goods used in 540 Wp solar module based on MIO solar cells	B	Kgs./Module	***
Price of Subject goods – Coated	C	Rs./Kg.	***
Costs of subject goods build in 540 Wp solar module based on M10 solar cells	$D=C*B$	Rs/MT	***
% cost of subject goods in Module	$E=D/A$	%	***
Additional cost on Module due to 5% anti-subsidy duties on subject goods	$F=D*5\%$	Rs/MT	***
Total cost of subject goods in module adding anti-subsidy duties	$G=D+F$	Rs/MT	***
% cost of subject goods in Module	$H=G/A$	%	***
Additional impact per Solar Module due to anti-subsidy duties	$I=F/A$	%	0.50%

102. From the above submission the Authority notes that the impact of the anti-subsidy duties on the end consumers will be insignificant.
103. In relation to the high impact of the duties on users, it is noted that the users have not provided any evidence as how it will impact their financial performance or the impact of duties on the final consumer. No analysis / data / working was also provided to substantiate their claim. Further, user association merely substituted lower landed value in the Table provided in the provisional findings to show higher impact, but none of them showed impact based on the prices prevailing during injury investigation period.
104. The Authority notes that anti-subsidy duty does not restrict imports but ensures that imports are available at fair prices. The imposition of duty would, therefore, not affect the availability of the product.
105. The essential facts gathered during the course of the investigation, and as established on the basis of information received from various sources are hereby being disclosed in order to enable various interested parties to offer their comments on these basic facts so gathered. The Designated Authority will, however, make the final determination on various aspects of the investigation on the basis of the comments received thereof from the interested parties to this disclosure statement to the extent they are relevant.

Section IV

METHODOLOGY FOR DETERMINATION OF NON-INJURIOUS PRICE

106. The non-injurious price of the product under consideration has been determined by adopting the verified information and data relating to the cost of production for the period of investigation in respect of the domestic producer. Detailed analysis / examination and reconciliation of the financial and cost records maintained by the companies, wherever applicable, were carried out for this purpose.
107. The non-injurious price for the domestic industry has been briefly described below:
- a. Raw Material Cost: The best utilization of raw materials by the domestic producer, over the period of investigation and the preceding three years period, at the rates prevailing in the period of investigation was considered.
 - b. Cost of Utilities: The best utilization of utilities by the domestic producer, over the period of investigation and the preceding three years period, at the rates prevailing in the period of investigation was considered.
 - c. Production: The best utilization of production capacity over the period of investigation and the preceding three years period was considered.
 - d. Salary & Wages: Propriety of the expenses grouped under this head and charged to the cost of production was examined. It is ensured that no extraordinary or non-recurring expenses are charged to the cost of production.
 - e. Depreciation: The reasonableness of the amount of depreciation charged to the cost of production was examined to ensure that no charge has been made for facilities not deployed on the production of the subject goods.
 - f. Identification And Allocation/Apportionment of Expenses: The reasonableness and justification of various expenses claimed for the period of investigation have been examined and scrutinized by comparing with the corresponding amounts in the immediately preceding year and admitted for computing the non-injurious price.
 - g. Reasonable Return On Capital Employed: A reasonable return (pre-tax) at 22% on average capital employed (that is Average Net Fixed Assets and Average Working Capital) for the product under consideration was allowed for recovery of interest, corporate tax and profit.
 - h. Interest: Interest is allowed as an item of cost of sales and after deducting the interest, the balance amount of return has been allowed as pre-tax profit to arrive at the non-injurious price.
108. Non-injurious price for the domestic industry: The weighted average wise NIP for the product under consideration is proposed ₹***MT for coated tempered textured glass & ₹***/MT for uncoated tempered textured glass.