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F.No. 7/17/2019-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
Jeevan Tara Building, 4th Floor, Parliament Street, New Delhi 110001

Dated 3rd October, 2020

NOTIFICATION
FINAL FINDINGS
(MTR Case No. 08/2019)

Subject: Mid-Term Review to review the product scope of definitive Anti-Dumping duty imposed on Certain Glass Fibre and articles thereof' originating in or exported from China PR.

F.No.7/17/2019-DGTR: Having regard to 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 Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules thereof, as amended from time to time (hereinafter referred to as the AD rules),

A. BACKGROUND OF THE CASE:

1. Whereas, the Designated Authority (hereinafter referred to as the Authority) initiated an anti-dumping investigation for imposition of anti-dumping duty on imports of Certain Glass Fibre and articles thereof, originating in or exported from the China PR vide initiation notification dated 8th January 2010. The Authority issued the Preliminary Findings on 2nd June 2010 and provisional duties were imposed vide Customs Notifications dated 14th July 2010. The Authority issued Final Findings on 6th January 2011 recommending imposition of anti-dumping duty and definitive duties were imposed on 4th March 2011. The Authority thereafter initiated a Mid-term review investigation on 19th September 2013 and on the basis of the recommendation of the Authority in its final finding dated 10th February, 2014, micro Glass Fibre with fibre diameter in the range of 0.3 - 2.5 microns was excluded from the ambit and scope of the antidumping duty recommended, vide Customs Notification dated 9th May, 2014.
2. And whereas, the Designated Authority, conducted a sunset review investigation and issued Final Findings vide Notification No 15/10/2015-DGAD dated 6th July, 2016, recommending continuation of anti-dumping duty, vide Customs Notification No. 48/2016-Customs (ADD) dated 1st September, 2016, extended the antidumping duty on the imports of Glass Fibre, originating in or exported from China PR.

3. And whereas, the Designated Authority, conducted an Anti-circumvention investigation and issued Final Findings vide Notification No. No. 7/25/2017-DGAD dated 30th July 2018 recommending extension of anti-dumping duty on the imports of Glass Chopped Strands Mats (CSM) originating in or exported from China PR to Asia Composite Materials (Thailand) Co., Ltd. The Ministry of Finance vide Customs Notification No. 43/2018-Customs (ADD) dated 6th September 2018, extended anti-dumping duty on the imports of Glass Chopped Strands Mats (CSM) originating in or exported from China PR to Asia Composite Materials (Thailand) Co., Ltd Thailand.
4. And Whereas M/s Arvind PD Composites Private Limited (hereinafter also referred to as the 'Applicant') has filed an application before the Designated Authority in accordance with the Act and the Rules, for initiation of mid-term review investigation to review the product scope and exclusion of certain "Glass Fibre roving used for production of wind grade fabrics for wind mill blades" (hereinafter referred to as the "product under consideration" or "subject goods") from the scope of the antidumping duty imposed on certain glass fibre and articles thereof, originating in or exported from China PR (hereinafter also referred to as subject country) vide Notification No. 48/2016-Customs (ADD) dated 1st September 2016. The Authority after prima facie examining the request submitted by the applicant initiated the Mid-term review vide Notification No. 7/17/2019-DGTR dated 4th October 2019, published in the Gazette of India, Extraordinary, for the limited purpose of investigating the need for excluding "Glass Fibre roving used for production of wind grade fabrics for wind mill blades" falling under HS Code 70191200, from the scope of the product under consideration in the original investigation.

B. PROCEDURE

5. In the present proceedings, the procedure as below has been followed:
- (a) The Authority sent copies of the initiation notification dated 4th October 2019 to the High Commission/Embassies of the subject countries in India, known exporters from the subject countries, known importers and other interested parties, and the domestic industry, as per the information available with it. Parties to this investigation were requested to file their response and make their views known in writing within the prescribed time limit.
- (b) A copy of the non-confidential version of the application filed by the Applicant was made available to the domestic industry through public file. A copy of the non-confidential version of the application was also made available to other interested parties, on request, through public file in accordance with Rules 6(3) supra.
- (c) In response to the initiation notification, the following interested parties have responded:
- 1) M/s. Owens-Corning (India) Pvt. Ltd.(Domestic Industry in Original Investigation)
 - 2) Indian Technical Textile Association
 - 3) Skaps Industries India Pvt Ltd.
 - 4) Jushi Group Co., Ltd
 - 5) Jushi India Fiberglass Pvt. Ltd.
 - 6) Goa Glass Fibre Limited
 - 7) Chongqing Polycomp International Corp (CPIC)

- (d) The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties. Post the outbreak of COVID-19, all interested parties were advised, vide notice dated 06.08.2020 uploaded on DGTR's website, to exchange non-confidential versions (NCV) of their submissions among themselves through email.
- (e) In accordance with Rule 6(6) of the AD Rules, the Authority also provided opportunity to all interested parties to present their views orally in a public hearing held on 06.12.2019. The interested parties who presented their views orally at the time of Oral Hearing were requested to file written submissions of the views expressed by them orally. Subsequently, another oral hearing was held on 07.08.2020 on account of change of the Designated Authority. All the parties who had attended the oral hearing were provided an opportunity to file written submissions, followed by rejoinders, if any.
- (f) Verification to the extent deemed necessary was carried out in respect of the information & data submitted by the Applicant on during February 2020, at the manufacturing plant site, at Gandhinagar, in Gujarat.
- (g) The Authority also conducted on the spot verification of the manufacturing facilities of the responding domestic industry i.e., M/s Owens Corning (India) Pvt Ltd in December 2019, at its plant in Mumbai.
- (h) Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claims. 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.
- (i) Under Rule 16 of Anti-dumping Rules, this disclosure of essential facts/basis for the present investigation is being issued to known interested parties for comments, to be considered in the final findings.
- (j) A Disclosure Statement was issued on 21st September 2020, containing essential facts under consideration of the Designated Authority, giving time upto 25th September 2020 to furnish comments, if any, on Disclosure Statement. The Authority has considered post disclosure comments received from interested parties appropriately.
- (k) '**' in this final finding represents information furnished by an interested party on confidential basis and so considered by the Authority under the AD Rules

C. SUBMISSIONS MADE BY THE INTERESTED PARTIES

6. The Applicant has made following submissions:
- (a) None of the interested parties had made submissions within the given timelines and that no information or comments were available in the public file till December 2, 2019. The opposing parties filed their submissions after the statutory timeline allowed by the Authority in the Notice of initiation dated 4th October 2019, is required to be rejected.
 - (b) No non-confidential version of documents i.e. Exhibits submitted by the M/s. Owens-Corning (India) is provided to the Applicant. This is violation of Rule 7 (2) of the Anti-dumping Rules

which requires that the parties providing information on confidential basis to furnish non-confidential summary.

- (c) The Authority in past has initiated the MTR for “Product Scope Review” based on similar facts presented by the Applicant. The Applicant has cited past practices of the Authority in case of “Glass fibre and articles thereof” originating in or exported from China PR, Dimethylacetamide’ [N, N Dimethylacetamide] (DMAC) originating in or exported from China PR and Turkey and Anti-Dumping Duty imposed on Cold-Rolled Flat Products of Stainless Steel originating in or Exported from China PR, Japan, Korea, European Union, South Africa, Taiwan, Thailand and USA.
- (d) The applicant, Arvind, is a joint venture between Arvind Ltd. (Lalbhai Group) from India and PD Fibre Glass Group from Germany to produce world class glass fiber woven and other nonwoven products in Ahmedabad, India. The Joint Venture formed in 2011 with the target to serve the growing Indian Composite market with special focus on wind power, marine, pultrusion and automotive industry. One of the special quality Glass Fabrics produced by Arvind is used for manufacturing of Wind Turbine Blades by reputed global manufacturers of wind turbines as well as Indian manufacturers under the flagship renewable energy program of Government of India. A significant portion of Arvind’s production is exported to all reputed manufacturers of Wind Mill Blades in the world. Arvind PD Composite is the only Glass Fibre weaving facility in the country with Control Temperature Warehouse which is a critical requirement by the wind industry and has been certified by Siemens Gamesa Renewable Energy (SGRE) for supply of Glass Fabrics for their Windmills.
- (e) Arvind is a major supplier of fabric for wind mill blade production across the globe and ***% of the total sales of Arvind PD are exported to various major producers of wind mill blades. **% of the total sales of Arvind PD are export and **% is domestic. It has been submitted that they are not able to supply/expand in the domestic market due to non- availability of the raw material in the domestic market. They cannot import the material in advance authorization and sell to Indian Market. Arvind PD supplies wind mill blade grade fabrics to the following domestic and global wind mill manufacturers:
- **
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- (f) There are many components manufactured from Glass fabric & resin that are used in Windmill. Components like Blade (Blade main body & inside components) are very critical to the operation and power generation capability of the wind turbine. The wind turbine power generation is mainly dependent on Blade performance. Due to the large size of the blades, the Blade performance is further dependent on the strength of critical components incorporated in the blade, that are subjected to the oscillatory motion of the blade. Specifically, the critical components of the wind mill blades are main laminate and trailing edge for which the glass fabric is manufactured by the Applicant using special type of glass rovings imported from China as the domestic manufacturers have not been able to supply those type of rovings.
- (g) The Applicant submits that Glass Fabric is the critical component for manufacture of Wind Mill Blades and the length and strength of the blades depend upon the fabric used which in turn depends upon the glass rovings. The Glass Fibre Roving for wind mill, blades require high tensile strength and high tensile modulus and resin compatibility (epoxy matrix). Therefore, special grade Glass Fiber Roving issued for producing the Glass Fabrics, which is

in turn used for manufacturing of Wind Mill Blades by reputed producers across the wind turbine industry. The glass fibers are required to manufacture glass fabrics must adhere to the minimum technical specifications, as per the pre-approved standards of the critical wind mill blade manufacturers (which are internationally accepted) and these fibers for critical wind mill application are not produced in India. The weavers of such fabrics gets GL-DNV certification and have to pass through customer plant & process audits. The GL lab in Germany does the material testing for approving the production facility of glass rovings that can be used for critical part of the wind mill blades. Once the processes of the manufacturer are approved, they are considered eligible to manufacture critical wind grade rovings/fabrics to international customers. This process takes about 3 or 3.5 years for non-stationary critical components of the wind mills whereas for stationary material it is about 2 years.

- (h) This certification comprises design assessment, implementation of the design requirements in production and erection, evaluation of quality management and prototype testing. And on the basis of type certification, project certification is carried out that covers site design conditions, site-specific design assessment, and surveillance during production, transport, and erection as well as witnessing of commissioning and periodic monitoring. The manufacturers of wind turbines and components will be evaluated all the way in terms of their quality management, and prototype testing will be made to guarantee the product quality and to verify the performance of the safety and control systems of the turbines. Therefore, the right input is required for the manufacturing of critical wind grade fabric as the process is already approved by the GL certification. Apart from these certification requirements Wind Blade manufacturer have specified Advance Product Quality Planning (APQP) for the products for wind application which is the backbone for maturing quality performance at Manufacturers and Suppliers. Such strict quality parameters will not allow any deviation from the quality standards specified by the wind mill blade manufacturers, specifically for critical inputs such as fabrics on which the mechanical strength of the blades depend.
- (i) The performance of wind turbines is dependent on its blade design and technology used. Blade is very critical part of wind turbine. Wind turbine Blades are manufactured by using Glass Fabrics (70%) and Resin (30%). Specific grades of Glass Fibre Roving are woven or stitched on special machines to produce Glass Fibre to suit the particular wind blade design. The Glass roving fabrics constitute the basic backbone of the wind mill blade and alongwith the resins provide the strength and structural durability and other performance parameters of the blades including its length and life depend upon the strength of the fabric used and its bonding with the resins. The glass fiber required to manufacture glass fabrics must adhere to the minimum technical specifications, as per the pre-approved standards of the critical wind mill blade manufacturers (internationally accepted). Therefore, product development and testing for specific wind mill blade types is a critical step in approving the particular rovings for blades. This requires a strict process control and certifications at various levels and takes considerable time and investment.
- (j) On the other hand, non-wind grade fabrics are of lesser quality parameters and are used for producing sewage pipes, pultrusion etc. and a large number of miscellaneous products. The fabric for wind grade and non-wind grade will be produced from glass fiber but the production processes and the type of rovings used are widely are different.
- (k) The existing manufacturers of Glass Roving in India do not produce Glass Fiber Roving required for the production of Glass Fabrics for Wind Mill Blades as per the required specifications. As a result, despite having capacity to manufacture glass fabric, the Applicant is not able to utilize the capacity for supply to Indian customers as the glass fiber rovings for

use in wind mill blade fabrics are wrongly facing anti-dumping duties.

- (l) The Applicant has undergone approval of two customers for supply of materials in India. These approvals have taken between 13 months to 55 months. Considering the fact that the input materials and the finished fabrics are all controlled by the end user (wind turbine manufacturers), the Applicant is forced to accept only the materials that are approved by the wind mill manufacturers. The Applicant has tried to seek approval for the product manufactured by the Thimapur manufacturing facility of the Opposing Interested Parties and spent approximately INR 1 crores for development and approval of glass fabrics manufactured by the opposing interested parties. The detailed discussion on the efforts of the Applicant to develop Indian alternatives have been submitted to the authority and are on record.
- (m) Glass Fabric for critical application in windmill blade derives its strength from the mechanical properties of the roving and its manufacturing process. Three important mechanical properties of glass rovings are tensile strength, tensile module, and shear strength. Table showing the technical specifications of Glass Fibre Rovings that can be used for manufacture of glass fabrics for application in critical wind blade applications is as below:

Properties	Approximate Wind grade roving	Approximate Other Roving
Tensile strength, MPa	2610	1965
Tensile Modulus, MPa	81150	78790
Shear Strength, MPa	75	65

- (n) The Applicant has carried out multiple tests during the past few years on the fabric manufactured from glass fibre rovings supplied by Owens Corning India Private Limited (OCV) to APD for wind grade fabric applications. Since the year 2015, OCV has been unsuccessful in providing glass rovings of the required mechanical specifications. The fabric produced by the use of glass fibre manufactured by OCV India Thimapur factory cost the Applicant approximately INR 2.5 million. The glass fabric manufactured by using these glass rovings from OCV India failed in all essential parameters and samples were rejected in tests carried out by International laboratories in Spain, causing a significant loss to APD.
- (o) Therefore, the roving produced by the opposing interested party is not the like article to that required for production of Wind Grade Fabric for manufacture of wind mill blades by the Applicant. The applicant places reliance on the Tribunal in Oxo Alcohols Industries' Association v. Designated Authority [2001 (130) ELT 58] and Indian Refractory Makers Association vs Designated Authority, 2000 (119) E.L.T 319 (Tribunal), make it clear that products not produced by the opposing interested party that are of a different grade/type should be excluded from the levy of anti-dumping duty.
- (p) The domestic producers of glass fiber roving are not capable of manufacturing glass rovings for use in wind mill blades that comply with the international standards and requirements of customers of APD.
- (q) The glass fabric required to manufacture Blade demands a high mechanical properties & other quality standards. The glass rovings being requested for exclusion by the Applicant are used in critical parts of the wind mill blade such as main laminate and trailing edge, which require higher mechanical properties in the glass fibre rovings. The glass fibre rovings manufactured by the opposing interested parties in India does not confer to the requirements for manufacture of these wind grade fabrics for use in wind mill blades.

- (r) That few non critical components like Nacelle cover, Hub (Nose cone), stationery webs are also manufactured from composite material (glass fabrics). However, the glass fibre rovings required for manufacture of these products have significantly lower mechanical characteristics. These inferior strength glass rovings are manufactured and supplied by the opposing interested party. Therefore, many glass fabric suppliers are claiming that they are supplying material to wind industry. However, their product do not match the specification required for manufacture of glass fabrics for use in main laminate and trailing edge of the wind mill blade.
- (s) The opposing interested party is misleading the Authority by making false and generic statements that they supply this wind grade fabrics to their customers. The Applicant has requested for exclusion of a glass fibre rovings with specified mechanical characteristics which are used in the manufacture of wind mill blades. Therefore, the claim of the opposing interested parties must be validated with mechanical testing reports of laminates manufactured from such glass fabrics which is done as per globally accepted testing norms at internationally accepted laboratories such as ITAINNOVA, Zaragoza, Spain or IMA Materialforschung und Anwendungstechnik GmbH (IMA), Germany, which are internationally accredited by wind blade manufacturers and suppliers globally.
- (t) The opposing party itself has agreed in the emails that they are trying to achieve the desired result however they are not able to produce the fabric with desired specification. The Applicants have provided copies of these emails along with the petition.
- (u) The Domestic Producers of glass fabrics are suffering due to unavailability of the product domestically. The glass roving manufacturers are self-proclaiming that they are providing glass fibre rovings of mechanical strength set forth for exclusion by the Applicant, and that is approved internationally and domestically. However, no detailed mechanical testing reports have been placed on records to prove otherwise.
- (v) For the manufacturing of Wind Mill Blade Grade Fabric for critical parts, International certifications are necessary that approve the manufacturing procedures and the compliance of manufacturing facility to internationally acceptable standards. The minimum period for attestation of a manufacturing facility of glass fabrics manufactured for critical wind mill blade applications is 3 or 3.5 years whereas for stationary material is 2 years. The applicant is certified by multiple international agencies that establish that the manufacturing procedures followed by them for manufacture of glass fabrics for critical wind mill blade application are internationally accepted.
- (w) The minimum tensile strength required from the glass fibrerovings to manufacture glass fabrics for critical wind mill blade application is 2610 MPa, whereas those produced by Domestic manufacturer is 2430 MPa, which does not match the mechanical properties required for application in wind mill blades.
- (x) Out of three known domestic manufacturers one has shut down, a major production unit located at Hyderabad and has basically turned into an importer for its related producer i.e., OCV. One of the units located at Mumbai is under refurbishing and the capacity is not available.
- (y) The Domestic manufacturers are unable to meet the existing demand of the Glass Fibre for desired specifications of wind grade therefore they also import more than 50% of the subject goods from their manufacturing units located in other countries such as China PR, USA, Brazil and Korea to cater to their clients.

- (z) OCV merely works as a trading company for Glass Fibre used for manufacturing of wind grade fabric rather than a domestic producer in India. Therefore, this company has clearly lost its standing as a domestic industry for this product.
- (aa) The DI's purchases from the related companies are more than 20% of total cost of goods sold of the domestic producers. The Manufacturing facilities of related companies of the domestic industry located in United States of America, Brazil, Korea, China and European Union are supplying glass fibre rovings for use in wind grade application. The quantum of such imports has been the major growth driver for the domestic producers. This fact is validated by the statements in the Director's Reports of the opposing interested parties.
- (bb) Further, the opposing interested parties products do not achieve the claimed technical parameters and are not fit for use to manufacture glass fabrics used for manufacture of wind mill blades. The so claimed wind grade rovings for wind mill blades manufactured by one of the opposing interested parties (Owens Corning India Limited) used by different industry in the Indian market and international market have failed drastically and the industry relying on domestically produced products for wind fabrics, such as Suzlon and Inox, have been shut down. As a result of absence of the product under consideration, the finished glass fabrics for wind mill turbines are being imported in India and the production capacities of the Applicant are left idle.
- (cc) As a result of unavailability of wind grade roving manufactured in India, the Applicant is forced to purchase these wind grade roving from international producers including China. The Applicant has been forced to change the raw material composition of the glass fabrics for critical wind mill blade applications. It is critical to note that the fabrics manufactured with these roving (internationally sourced by the Applicant) are accepted and approved by wind mill blade manufacturers.
- (dd) As per the information submitted by M/s. Owens-Corning (India) their new facility was established in late 2018. Wrap up of production, testing, certification and approval process by the end users will take about 3 years before they will be able to produce and supply the required grades of rovings for wind application. Therefore, this plant will not be able to supply the Approved grade material required by wind mill blade industry before 2021.
- (ee) The domestic industry has given false and misleading information to the authority that they had supplied wind mill grade rovings to Arvind. Whereas Arvind PD has procured only 32 MTs of the subject goods from OCV for product development stated above which eventually failed and no further procurement has been made from OCV. If the material is purportedly supplied to Arvind Ltd., sister concern of Arvind PD, as claimed by OCV it needs to be noted that Arvind Ltd. does not have any capacity to manufacture glass fabrics for wind mills. The applicant has provided a full reconciliation of materials purchased from Arvee Marketing Pvt Limited during the past 3 years and their end use for non-critical wind-mill blades, except the 32 MT of WS 2000 material specified above.
- (ff) The domestic manufacturers of glass roving are further misleading the Authority by making false and generic statements that they supply this wind grade fabrics to their customers. Applicant has been exchanging mails and communications with the OCV to provide the product however as provided in Petition exhibits and the written submission exhibits the opposing party itself have agreed in the emails that they are trying to achieve the desired result however they are not able to produce the fabric with desired specification.
- (gg) The movement of H glass fibre of domestic manufacturer from one unit to another has no

relevance for the production of Wind grade fabric. Further, H glass fibre rovings are not suitable for wind mill blade manufacturing as it has too high mechanical properties not be suitable for resin bonding required for blades. The wind blade manufacturers do not use the fabric manufactured from this grade of roving for critical applications in the windmill blades. A comparison of the non-compatibility of glass rovings manufactured by OCV in India is provided by the Applicant during verification.

- (hh) The rovings manufactured by the domestic industry may be used in certain static components in a windmill which does not require high tensile strength etc. but these rovings are not usable in critical part of the blades as has been demonstrated through various test reports etc. The OCV is supplying products for the non-critical part of the wind turbine and not for critical applications in the wind mill Blade.
- (ii) The DI claims that there are other fabric manufacturers in the country, including the DI itself with a total capacity of about of about 77,000 MTs and all of them supply to the wind mill segment. While these fabric manufacturers may be producing glass roving fabrics, they are either not producing the fabrics required for Wind Mill Blades using the domestic rovings or supplying inferior fabrics used in other components of the wind mills as explained above. This is one of the reasons that producers of windmill fabric i.e. SCAPS is also opposing the imposition of duties on the quality of the product which is not being produced by the DI.
- (jj) The new production facility of OCV for glass rovings was established some time in 2018 and they are required to go for quality certification process which takes anything around three years for approval and product stabilization. Therefore, OCV is claiming that they are providing such material just immediately after putting up Taluja plant, then they are not providing material produced by them, but clearly it is imported by them from its furnaces in other countries to supply to its customers.
- (kk) Indian Wind Mill industry is poised for a significant growth as many global wind mill manufacturers are shifting their production to India. Therefore, there is a huge opportunity for the fabric manufactures to participate in this growth story if the raw materials such as rovings of the required specification and quality are available at reasonable price.
- (ll) DI does not produce and supply the glass rovings required for manufacture of glass fabrics suitable for use in critical components in Wind Mills such as Wind Mill Blades. Hence this particular type of rovings should be excluded from the scope of the product under consideration, or should be allowed for imports under actual user condition without antidumping duty under such terms and condition as the Authority may impose considering the fact that such a mechanism is in place for the glass fabrics for the wind mill blade manufacturers.
- (mm) Govt. of India has already provided for differential duty for wind mill blade manufactures to import fabrics at concessional rate of 5% duty, when imported for manufacturing of Wind Operated Electricity Generators”(WOEG”), with necessary certification from the MNRE, vide Notification No. Notification No 50/2017 – Customs dated 30.06.2017, whereas all other imports of fabrics attract basic customs duty of 10%.
- (nn) Hence an inverted duty structure has been created by this Notification. The notification allows 5% basic custom duty on Glass Fabrics used for manufacturing Windmill Blades but the intermediate goods, i.e. Glass Fibre Rovings, which is the building block for Glass Fabrics used for wind Mills continues to attract 10% basic customs duty. This inversion of basic duty coupled with heavy antidumping duty on rovings has resulted in increase in import of fabrics

used for wind mills whereas domestic capacities for producing fabrics for wind mills are idle.

- (oo) The availability of glass roving for manufacture of glass fabrics for critical wind mill blade applications will increase the manufacturing potential of Indian producers and enhance the “Make-in-India” policy of the Government of India.
- (pp) Therefore, the Authority is requested for excluding the Glass Fiber roving used for wind grade from antidumping duty scope, with end use certification by MNRE in the same line.
- (qq) The Applicant requested the Authority to seek comments from MNRE, as Ownes Corning during public hearing stated that “the MNRE has also said that OCV Wind Grade is suitable for Wind Grade Application.” The Applicant submitted that this statement made is without any evidence on record.
- (rr) MNRE has allowed import of Glass Fabrics at Concessional Customs duty for the wind-mill blade manufacturers. Had the material for wind mill blades application been available in the country there was no need to allow imports at concessional duty.
- (ss) The applicant did not oppose investigation at the time of the sunset review as it was trying to develop Product locally during the time of SSR, however the products failed. Failure reports is also placed on record.
- (tt) The Applicants manufacturing unit is one of the most modern production facility for Glass fabrics with state of the art testing facilities, temperature controlled storage and other facilities required for high quality product and Glass fabrics produced by the applicants are used by all big names in wind mill blade industry. Names of all its customers is already submitted with the Authority during the verification. The Applicant unit has shared the GL Certifications certifying the process of manufacturing.
- (uu) The Ownes Corning during the public hearing mentioned that “exclusion of this product from scope of this investigation will be “hectic” for Ownes Corning and Authority in the New investigation initiated on Glass Fibre and Articles thereof from Egypt and Bahrain”. The Applicant submitted that a quasi judicial process cannot be guided by the burden on one of the parties to the process.
- (vv) Pending the completion of this review process where the product scope of the good attracting duty is in challenge, a fresh investigation concerning the same product which covers the disputed product also, should not have been initiated. In fact, by initiating a fresh investigation, while the scope of the product is under review, a prejudice has been created against the Applicants which should have been avoided at all cost by a quasi-judicial authority. In this regards reliance is placed on Yunus Ibrahim Adan Patel vs. Special Secretary Revenue Dept. (Appeals) and Ors (2012)2 GLR 1558 and Madras in P. Ramkumar vs. The Revenue Divisional Officer W.P. No. 27132 of 2015.
- (ww) The Ownes Corning has not placed any material evidence on public record to show that the material produced by them in their furnace in the country has been used by any of the fabric manufacturers for windmill blade application. Admittedly the Ownes Corning is importing the rovings and fabrics for wind-mill application from its own related parties and supplying to its customers.

7. Submissions by SKAPS Industries Limited:

- (a) They have not been able to utilise the capacities due to unavailability of raw materials i.e.

glass fibre rovings, while the finished glass fabrics used by windmill blade manufacturers are allowed at concessional duty, thereby seriously affecting operations of the industry.

- (b) The domestic manufacturers of Glass Rovings have not been able to produce the special grade Glass Roving's required for windmills blade. Therefore the glass fabric manufacturers for wind segment are completely dependent upon foreign vendors for imports of these Glass Rovings for supply of Fabric for wind mill segment.
- (c) To provide end user-based exemption to producers of fabrics used in wind mill blades with appropriate certification mechanism.

8. Submission by Jushi India Fibre Glass Pvt Limited:

- (a) A particular grade of Glass Fibre direct roving used for production of wind grade fabrics for wind mill blades all over the world including India, only uses quality products.
- (b) Glass Fabric Direct Roving is converted into Wind Grade Fabrics for Wind Mill Blades by independent process of different type fabrics and also by some Glass Fabrics manufacturers, fabric in an integrated manner.
- (c) Currently the Domestic Manufacturers does not produce Glass Fibre Rovings required for the production of Glass Fabrics for windmill blades for certain end users and manufacturers. Since the wind mill blades are part of wind energy, renewable energy developments and its economics are hindered by levying Anti-dumping duty on imports.
- (d) The imposition of duty slows down the Make in India Campaign, as the domestic fabric manufacturers capacity is underutilized.

9. Submissions by Indian Technical Textile Association (ITTA)

- (a) Focus area of ITTA is to promote the development and manufacturing of composite fabric in India. The two major grades of glass fibreroving for manufacturing to produce different type of composites are Grade 1: General Application like building boats, automobiles, railways, infrastructure, pipe, pultrusion etc, where regular grade Glass roving is used having properties- tensile strength 1965 Mpa, Tensile Module 78790 Mpa and shear strength 60 Mpa. Grade 1: Wind Turbine Application: Special Grade Glass roving is used with properties tensile strength 2610 Mpa, tensile Module 81150 Mpa and Shear Strength 75 Mpa.
- (b) The majority of Glass Fibre roving in Country is imported as the domestic producers are in initial stage of development of Fibre.
- (c) There is inverted duty structure as the Custom Duty on Glass roving is 10%, as compared to imported glass fabrics with a preferential custom duty of 5% vide Notification No. 50/2017 customs dated 20-06-2017 by Ministry of Finance.
- (d) The wind turbine manufacturers are facing operational difficulties due to cumbersome task of planning longer lead time for import of glass fabric. As a result delay in delivery results in delay in overall project timelines costing the wind manufacturers heavy amounts of penalties and interest on loans.

10. Submission by M/s Goa Glass Fibre Limited (Opposing Domestic Producer)

- (a) Goa Glass Fibres Ltd, a unit of 3B Binani is producer of Glass Fibre products and opposed the petition stating that the claim of the Applicant is false and that they have capacity to produce Glass Fibre for wind grade fabric in their Goa plant.

- (b) The products produced by them have necessary approvals and they were supplier to Suzlon, until their operation stopped.
- (c) Removal of duty for Glass Fibre will be threat to their industry as they are planning to sell Wind Grade Fabric from Goa unit. Further removal of duty will cause dumping and also increase chances of circumvention of ADD. The other industries will import the product in guise of import to Wind Customer.

11. Submissions by M/s Owens-Corning (India) Pvt. Ltd. (Domestic Industry & Opposing Domestic Producer)

- (a) The grounds of the Applicant have no legal basis under the provision for a Mid-term review. The claims are misguided and misplaced.
- (b) The Domestic Industry has been a producer and seller of the product under consideration in the current investigation for a long period.
- (c) Law prescribes that a product type cannot be excluded from the ambit of product scope subject to ADD so long as the domestic industry is producing and selling like article.
- (d) No evidence that product of Applicant was rejected due to raw material failures. There can be multiple reasons for failure of final goods.
- (e) Applicant pleads that Thimapur plant of domestic industry produced the subject goods and was thereafter shut down. In contradiction, it is claimed that the subject goods produced by domestic industry at Thimapur were rejected.
- (f) The result of the multiple test reports of the subject goods produced by the Domestic Industry at the Taloja shows that the product under consideration produced by the domestic industry meets the specifications enumerated by the Applicant.
- (g) No reasons provided for not seeking exclusion in 2015-16, when allegedly subject goods of domestic industry were rejected.
- (h) Applicant was earlier only focused on export market, and hence imported under duty-free schemes. Applicant now wishes to carter to domestic market and hence wishes for an exclusion of subject goods.
- (i) Goods produced by domestic industry have been approved by multiple domestic and international customers.
- (j) Applicant pleads that there is demand-supply gap. In contradiction, it is claimed that the domestic industry does not produce the subject goods.
- (k) Lack of domestic capacity is no ground for exclusion of product type from product under consideration.
- (l) The imports made by the domestic industry of product under consideration were during the period when the plant was being refurbished. Imports have no relevance in the current investigation.
- (m) Sales invoices of the wind rovings produced and sold by the domestic industry have been provided.
- (n) The domestic industry is themselves manufacturing glass fabrics meant for wind-mill blades to international as well as national buyers regularly.
- (o) Evidences submitted by Applicants do not show blades of other companies were rejected

because of fabric made by fibre supplied by Owens Corning.

- (p) Arguments based on recommendations of MNRE are not relevant in the current investigation.
- (q) domestic industry opposes any exclusion from product under consideration. The domestic industry produces subject goods of highest specifications and quality.
- (r) Applicant is changing claims throughout the investigation. The Application filed was for exclusion of Glass Fibre Rovings used for production of Wind Grade Fabrics for Windmill Blades and now the claim is that Wind Grade Application' is not same as "Windmill Blade Application". The submissions by the applicant should be rejected.
- (s) There can be multiple reasons for failure of end product. No evidence has been provided by the Applicant showing failure was due to raw material. DI sells to multiple other customers, domestic and international, but no other customer has faced such issues.
- (t) The applicant has significantly suppressed the fact that the problem was in making of fabric and laminate and not in Direct Rovings.
- (u) The domestic industry product is not only meeting the requirement but also exceeds the same, as can be established from the requisite evidence submitted by the DI.
- (v) For wind tower, Direct Rovings is used in making two products Nasal cover and wind blade. Undisputed that domestic industry is producing and selling Direct Rovings for making nasal covers.
- (w) DI has been producing wind blade fabric using its own roving produced in India at Taluja plant. This was the position even when Thimmapur plant was operational.
- (x) The domestic industry has started producing and selling the product under investigation at Taluja plant. In fact, the production started in August and October 2018 (2 furnaces) and since then the domestic industry has produced about 120,409 MT product under investigation at Taluja plant. Further, the domestic industry has sold product under investigation to following customers from Taluja plant. Thus, the fact that domestic industry did not produce product under investigation at Thimmapur and started producing at Taluja plant now is entirely immaterial.
 - i. Kush Synthetics Pvt Ltd, Gandhidham
 - ii. Saertex, Pune
 - iii. SKAPS, Mundra
- (y) Owens Corning has submitted that they had created a stock of about 8,000 MT of rovings before shutting down the furnace in Taluja Plant and that being insufficient to meet all the requirements of customers in the country they resorted to importing different types of glass fibres including approx 20,000. MT of product under investigation, during this period from its affiliate plants in other countries to meet their own requirement and that of other customers. It has been argued that these imports are however not because of any kind of technical considerations and were purely because of shutting down of furnace for refurbishing the same and for meeting the requirements of customers during this period.
- (z) Owens Corning India also uses the subject goods to produce wind grade fabrics. The wind grade fabrics produced by the Domestic Industry have also been tested at multiple labs and tests of such wind grade fabric were also done at third party labs of international standards at Dresden, Germany. The test reports show that the wind grade fabric produced by the

Domestic Industry from its own product under consideration is of acceptable quality.

- (aa) The domestic industry provided details of its sales of glass fibre rovings for glass fabrics for windmill blades. It is seen that the wind grade fabric customers of the Domestic Industry are world renowned companies. It is noted that the Domestic industry regularly sells to these customers and these customers regularly sell products made from the product under consideration produced at the domestic industry's Taloja plant.
- (bb) Since the windmill manufacturers are required to use only approved wind blades, the wind blade manufacturers are required to use a fabric approved by the windmill manufacturer. Further, the windmill manufacturers approve not only the fabric used for making blade but also the fibre used for making fabric. The direct roving used for making fabric is also duly approved by the windmill manufacturer. The applicant contended that direct roving produced and supplied by the domestic industry for wind grade fabric are not approved by windmill manufacturers. The domestic industry has however shown that they have supplied direct roving to the producers of wind grade fabric which have been eventually been used by a number of windmill manufacturers including Siemens Gamesa Renewable Energy, LM Wind Power, Inox Wind Ltd. and Suzlon Energy Ltd.
- (cc) The applicant contended that the direct roving supplied by the domestic industry in 2015 did not meet the specifications and the wind grade fabric produced out of such direct roving had failed to meet the laid down specifications. The domestic industry however contended that their job is limited to providing direct roving meeting the laid down specification. A wind grade fabric or a wind blade may fail for several reasons, including ability of the wind blade manufacturer to manufacturer blade, ability of wind grade fabric manufacturer to manufacturer fabric. Since domestic industry product conformed to the laid down specifications, it was without basis to contend that the failure of wind blade was due to non-conforming of direct roving supplied by the domestic industry. Domestic industry further contended that it has supplied direct roving to a number of wind grade fabric manufacturers which includes Kush Synthetics Ltd. and Saertex, Pune. The wind grade fabric produced by these producers have been well accepted by wind blade manufacturers and windmill manufacturers. If a number of consumers are able to use the direct roving produced by the domestic industry and the resultant wind grade fabric produced has passed the laid down standards and specifications, it is without basis that the applicant is not able to produce wind grade fabric meeting the desired specifications. In any case, if wind grade fabric has been produced by a number of producers and the same has been well accepted, it cannot be contended that the product produced and supplied by the domestic industry does not meet the requirement.
- (dd) The direct roving has only two applications as far as windmill is concerned – direct roving is used for making nessle cover and direct rovings are used for making fabric for manufacturing of wind blade. Wind mill manufacturers use anywhere between 2-6 different kinds of wind grade fabric in one blade. However, all such wind grade fabric must be produced and supplied by the same manufacturer and such wind grade fabric manufacturer should produce the fabric by using direct rovings supplied by the same manufacturers. It is not a practice to use wind grade fabric produced by different producers to make one blade. Similarly, it is not a practice to use direct rovings supplied by different producers for making fabric for use in one wind blade. In fact, windmill manufacturers tend to use wind grade fabric produced by same manufacturers for one windmill. While different windmill might use blades produced out of fabric or direct roving produced from different sources. Considering this peculiar way of using the product, domestic industry has produced and sold direct rovings to fabric manufacturers

such as Kush Synthetics Ltd. and Saertex, Pune and the fabric produced by these manufacturers have been used by windmill manufacturers such as Siemens Gamesa Renewable Energy, LM Wind Power, Inox Wind Ltd. and Suzlon Energy Ltd. stating that the direct rovings produced by the domestic industry in fact are used for making wind grade fabric for wind blade application.

- (ee) The applicant is relying upon a test certificate of 2013 while contending that the specifications of direct rovings supplied by the domestic industry does not meet the specifications laid down under the applicable standards. The domestic industry has provided a test certificate of 2018 which clearly shows that the direct roving produced by the domestic industry meets the specifications laid down under the relevant standards. While the domestic industry has contended that the alleged failure of 2015 cannot be attributed to direct roving produced and supplied by the domestic industry and same should be a result of manufacturing of fabric, in any case a possible rejection of the product in 2015 cannot become a basis for its exclusion now. The Authority had conducted a sunset review thereafter in 2016, wherein the Authority has recommended extension of antidumping duty. Further, after 2015, the domestic industry has produced and supplied direct rovings to a large number of consumers for manufacturing of wind grade fabric. In a situation where the domestic industry has sold direct rovings to a number of consumers in the country for manufacturing of wind grade fabric, it is not appropriate to conclude that the domestic industry has not produced and supplied the product required by a particular application. The applicant should be engaged in manufacturing of like article and should have produced and sold the same in the Indian market. The fact that one or more consumers have not used the product or have found the product unsuitable does not imply that the same should be excluded when there are a large number of consumers of the product who have earlier used the product produced by the domestic industry and have not raised any concern or complaint about the product.
- (ff) In a situation where there are clearly laid down standards with regard to the technical parameters that a product should conform, so long as the domestic industry produced and supplied a product conforming to such standards, it cannot be held that the domestic industry has not produced and sold the product required by the consumers. The obligation of the domestic industry cannot be extended beyond its ability to produce and supply the product conforming to the laid down standards. While it may be desirable to have products having better standards and specifications than the one laid down by the government, so long as the domestic industry has produced and supplied the products having standards and specifications laid down by the government, it must be held that the domestic industry has supplied like article.
- (gg) It has been submitted that Govt. of India has already provided for differential duty for wind mill blade manufactures to import fabrics at concessional rate of 5% duty, when imported for manufacturing of Wind Operated Electricity Generators" (WOEG"), with necessary certification from the MNRE, vide Notification No. Notification No 50/2017 – Customs dated 30.06.2017, whereas all other imports of fabrics as well as rovings attract basic customs duty of 10%.
- (hh) PUC has been imported into India from multiple sources for a long period of time. The Applicant has never made an effort in developing any other alternate source.
- (ii) The Applicant referred to a paperbook during Oral Hearing. Whether confidential or non-confidential version, parties are obliged to follow the trade notice while using a paper book at the time of oral hearing. The same were not followed by the Applicant.

- (jj) Usage of paperbook was justified as “documents provided during verification”, further shows the breach of confidentiality provisions. DI is participating in the investigation without complete access to all relevant documents in blatant violation to Rule
- (kk) Some of the documents referred by the applicant concerns applicant and the domestic industry. There is no way the applicant claim confidentiality on these documents qua the domestic industry itself.
- (ll) DI has no objections on seeking comments from MNRE. However, purpose of ADD should be considered. Imposition is against unfair trade practices and no concessions cannot be provided when dumping and injury is already established.
- (mm) Purpose of concessional duties if different and does not permit dumping by exporters. DA has imposed ADD on multiple products that have concessional duties.
- (nn) Claim of developing vendors is misplaced. The duty is in force since 2011. Four investigations have been conducted in this product. The applicant did not raise objection in any of these investigations so far.
- (oo) The domestic industry never argued that the process of providing data to the Authority is hectic. The applicants are trying to mislead the Authority.
- (pp) As per the DI information, the applicant has not sold wind blade fabric to any customer in India. Even in international market, the applicant has sold the wind blade fabric to a very limited number of parties. The applicant should provide all relevant details in this regard.
- (qq) Contention of Applicant that DI produces fabrics for wind grade application from imported roving and not PUC produced by DI is incorrect and misplaced. Only when production in Thimapur plant had stopped and refurbishing of furnace in Taloja was ongoing did DI import PUC. DI uses PUC produced by itself for production of fabric for wind grade application.
- (rr) The Applicants claim can be easily falsified by analysis of the volume of import made by the DI, the volume of resale made by the DI out of these imported volumes and the volume of fabric produced and sold by DI.
- (ss) A product cannot be excluded if the domestic industry is producing and selling the like article to the same. The applicant has not shown instance where the domestic industry has regretted production and supply of product under investigation to the applicant.
- (tt) DI capacities are higher than demand for the product in the Country and the domestic industry is constrained to use it for production of other products. There is thus no demand supply gap as claimed by the petitioner.
- (uu) Demand-supply gap is not a ground for exclusion of product type. The same is also not a justification for any dumping. Demand-supply gap only justifies imports per se.
- (vv) Applicant has referred to and relied on statements made by Associations without establishing relevance of the Association in investigation and technical competence on PUC. In fact, the Association is dominated by the Applicant. Proper information and evidence on how the information was sought and attained should be provided.

D. POST DISCLOSURE COMMENTS

12. Submissions by Applicant(Arvind PD Composites limited):

- (a) The Applicant through its various submissions established that Wind energy sector in India

gained momentum only after 2014 (after launch of technical textile mission in India), and Applicant, after setting up its plant to produce fabrics for the growing wind mill sector, made sincere efforts to develop a viable domestic supplier of glass rovings required for critical part of windmill blade fabrics for domestic windmill blade manufacturers. Unfortunately, these efforts failed miserably after spending considerable time and resources on it as OVC, the only major player in glass fiber sector, could not produce the rovings of required specification and strength and the tests in foreign laboratories failed. The fact of failure has been admitted by OVC and it is on the records of the Authority. Even other fabric manufacturers and the Technical Textiles Association has also supported the views of the applicant in this regard.

- (b) The claims of OVC that they have been producing and supplying the rovings which is used by other fabric manufacturers for windmill blades have not been corroborated with evidence and test reports. Even if they have supplied any material to any windmill fabric manufacturers it could be from their furnaces from other countries as they have been importing significant quantities of rovings and supplying in the market.
- (c) As the domestic windmill blade production is rising and demand for fabrics is increasing the applicant has every right to get its raw material to cater to this demand.
- (d) The Applicant has placed enough evidence on record that the production facilities of OVC have undergone several changes. One of the constituents of the earlier DI has gone out of production since 2017 December. The production unit of the other DI was shut down for scheduled refurbishing for a major part of 2018. Though OCV has also added a new furnace which, as per their statements it went into production only in Dec 2018. None of these furnaces will be able to supply rovings required for windmill blade grade fabrics because of stringent testing and certification requirements which takes anything between 2 to 3 years.
- (e) There was significant changes in the composition of the DI and for an extended period in 2018 there was no production. This would have required a suspension of the duties or triggered a mid-term review for discontinuation of the duty. However, the DI clearly suppressed these facts from the Authority at the relevant point.
- (f) The Applicant has resorted to anti-competitive practices by blocking the users from imports for the subject country while it was happily importing from its affiliates to supply to its customers as it had reduced production after the second DI's production unit was shut down in 2018 and no production in major part of 2018.
- (g) Applicant has provided all technical details of production process and quality control issues, raw material requirements and specification thereof, testing and certification requirement and proof of their supplies to all well known windmill blade manufacturers in India and in the global market to establish the fact that their manufacturing facility is well certified by the relevant certification agencies and their fabrics are well accepted by the users. Therefore, the contentions of the DI that the fabrics of the applicant could have failed due to its own technical failures is baseless and must be rejected.
- (h) The failure of rovings produced and supplied by OVC is well established. Therefore, their arguments that they have been supplying the rovings used for producing fabrics for windmill blades is highly disputable. It must be kept in mind that they have been importing a lot of rovings and fabrics all along and particularly after their own furnaces were shut, to meet customer needs. Therefore, it is possible that the material supplied, if any, is from the imported sources. Therefore, the industry must be put to strict proof.
- (i) The rovings, being critical for windmill blade application, are required to be sourced from the

furnaces approved by the windmill blade manufactures after due testing and certification. This is a critical trade requirement and standard practice in the windmill blade manufacturing. This restricts the choice of the applicant to source the material elsewhere. The DI, if at all starts production of the subject goods, will have to undergo the same certification process to be able to supply the rovings for windmill blade applications.

- (j) There is no confusion about the product sought for exemption/exclusion as has been contended by the DI. The Applicant has been from the very beginning maintaining that rovings required for manufacturing fabrics for windmill blades are required to be excluded or exempted and this stand has never changed.
- (k) Keeping in view the non-availability of fabrics in India for windmill sector the Government has allowed import of fabrics used for windmill applications at concessional rate of duty leading to increased import of fabrics while domestic fabric capacities are lying idle due to non-availability of rovings for windmill blade applications.
- (l) Applicant also places on record its objections to the acceptance of the submissions by the DI after the due dates and certain information which appears to have been filed by the DI behind the back of the applicants because some of the arguments and information of DI are appearing for the first time in the disclosure preventing the applicant to make any meaningful comments on them.
- (m) As regards the sale of the subject goods by OCV to Arvind PD, OCV has never made any disclosure of the transactions made though it pertained to applicant only. Further, The Applicant has already filed certificate certifying no purchase was made by OCV, as claimed by them.
- (n) The Applicant also places on record its objection to the disclosure of certain confidential information of the applicant to its detriment. In this regard Applicant placed reliance on various judgments of the tribunal and High Courts.
- (o) 3B Goa Glass has no locus Standi, as they were domestic industry in the original nor sunset review investigation.
- (p) The DI's claims that they have been producing and supplying like articles are bereft any merit as their products are neither technically nor commercially substitutable to the product required for windmill blade application and therefore, not like article.
- (q) OCV has claimed that its wind grade rovings were used by several blade manufactures such as Inox Wind Ltd. and Suzlon Energy Ltd. The Applicant submits that this itself proves that these products supplied to these parties were not of appropriate specifications resulting in high rate of bladed failures of these Companies as reported in media. That could have led to the closure of these companies. The evidence in the regard already placed on record with the Authority.
- (r) The Applicant has repeated its request that comments MNRE, should be obtained as OCV during Public hearing made false comments that MNRE has approved their grade of product.
- (s) The claim of OCV that they have started producing and selling the subject goods in 2018, itself proves that they were never manufacturing the product prior to 2018. No evidence to regard is placed on record by OCV. However, their new and refurbished plant cannot produce and supply the subject goods without rigorous testing certification as pointed out earlier.
- (t) OCV, in its own submissions has admitted that product produced by them is used for Nassel Cover and not for critical part of wind grade.

- (u) The OCV argument that ITTA is dominated by Applicant is baseless as ITTA was facilitated by office of the textile commissioner, Ministry of Textiles, Govt. of India. There is no possibility of any dominance by one party.
- (v) With regard to Authority's observations that wind grade fabric or a wind blade may fail for several reasons Applicant submits that it is an established fact that the Rovings play an important role in the failure because it gives the fabrics and in turn the blade the mechanical strength to withstand the load and other dynamic forces. There comes the role of testing and certification which takes enormous time for such critical application. If at all the statement of the Authority obliquely suggests, as argued by the DI, that applicants' own manufacturing process could be a reason for the failure, the applicant would like to place on record that all manufacturing processes, including the manufacturing facility and environment of the applicant are certified by the appropriate agencies and the applicants are suppliers to a number of global blade manufacturers and there has not been a single failure. Therefore, any oblique reference in the disclosure statement, to the manufacturing process of the applicant to attribute the failure of DI's material would be highly illogical and misplaced. It is reiterated that the manufacturing facility of the Applicant is world-class and GL certification for that matter is placed on record which provides with all relevant certifications and goods manufactured by it has been accepted by all reputed windmill blade manufacturers.
- (w) If the Designated Authority does not provide specific end user exclusion for the product the Applicant will have no option but to shut down its business for manufacturing of Windmill Blade grade Fabrics for the domestic windmill blade manufacturers and a huge investment in a state of the art production facility to cater to a growing wind energy market in India will fail only because of unavailability of appropriate raw materials domestically and the imports having been blocked due to antidumping duties.
- (x) In view of the above, it would be appropriate either to exclude the rovings used for producing fabrics for windmill blades from the scope of the duty or to provide end user-based exemption to producers of fabrics used in windmill blades with appropriate certification mechanism as prayed for by the applicant in its application for this review.

13. Submissions by M/s Owens-Corning (India) Pvt. Ltd. (Domestic Industry & Opposing Domestic Producer)

- (a) Submissions made by Indian Technical Textile Association, Skaps Industries India Pvt Ltd., Jushi Group Co., Ltd, Jushi India Fiberglass Pvt. Ltd., Chongqing Polycomp International Corp (CPIC) were not shared with the DI and therefore should be rejected.
- (b) The domestic industry was producing at Thimapur & Taloja plant and is now producing the product under investigation at present at Taloja plant.
- (c) SKAPS Industries Limited in opposing this investigation when they regularly buy the glass rovings for manufacturing fabrics for wind blade from the domestic industry. Infact recently they have started buying fabrics from domestic industry to slit it and sell it for wind blade manufacturers. SCAPS is situated in SEZ and therefore they are not impacted by the anti-dumping duty in existence.
- (d) The domestic industry is also manufacturing the fabrics for wind blade from its glass rovings. The Fabrics manufactured by the domestic industry is accepted by the customers over the years and meets the requisite standards of the customers.

- (e) Domestic industry has supplied and continues to supply its fabrics for wind blade applications to Gamesa Renewable Private Limited (now renamed as Siemens Gamesa Renewable Power Limited), who is also the customer of the Applicant.
- (f) The Applicant and domestic industry is catering to the requirement of fabric to the same consumer for wind blade manufacturing. The fabrics made by the domestic industry is used interchangeably to the product supplied by the Applicant. This establishes that domestic industry is producing the glass rovings (PUI) which is used for making fabrics for wind blade and there is no issue in the product specification of the domestic industry.
- (g) The specifications mentioned by the Applicant are not factually correct and is a fictitious value. Notwithstanding the above the glass rovings manufactured by the domestic industry meets all the requisite standards specified by the Applicant as well as the customers
- (h) The facilities of the domestic industry are approved by the International well renowned agency.
- (i) The Applicant have not provided even a single evidence that their product was rejected due to raw material failure. There can be multiple reasons for a failure of the eventual product. None of these customers, to whom the product was sold at the same time, have raised any concern regarding the acceptability of the product.
- (j) As regards mail communications by the domestic industry, none of the mail communication states that there is an issue in the glass rovings. The domestic industry specifically said that the fabrics does not meet the requisite specification. The domestic industry never said that the failure of the fabric was because of glass rovings.
- (k) the application is filed and sponsored at the behest of Chinese producers, as is now evident from the submissions filed by the Chinese producers. Jushi group, one of the major producer exporter of glass rovings had filed participation request. But the company neither appeared in the public hearing nor filed any submissions

E. EXAMINATION BY AUTHORITY

14. The Authority notes that the applicant has sought exclusion of certain glass fibre roving used for production of wind grade fabrics for windmill blades (hereinafter referred to as “wind grade fabric” also) from the scope of antidumping duty.
15. The Authority had earlier recommended imposition of ADD on imports of various kinds of glass fibre vide Notification No. 14/28/2009-DGAD dated 6th January 2011. The duties were imposed by Central Government vide notification No. 30/2011-Customs dated 4th March 2011. Thereafter, the Authority conducted a sunset review which culminated into final finding notified vide notification No. 15/10/2015-DGAD dated 6th July 2016. The Ministry of Finance implemented the recommendations vide Notification No. 48/2016 - Customs (ADD) dated 1st September 2016. The scope of product under consideration as defined in the original investigation and confirmed in the sunset review investigation is as follows:-

“glass fibre, including glass roving [assembled rovings (AR), direct rovings (DR)], glass chopped strands (CS), glass chopped strands mats (CSM). Specifically excluded from the scope of the product under consideration are glass wool, fibre glass wool, fibre glass insulation in wool form,

glass yarn, glass woven fabrics, glass fibre fabric, glass woven rovings, chopped strands meant for thermoplastic applications, micro glass fibre used in battery separator, surface mat/surface veil/tissue, wet chopped strands and Cemfil (alkali resistant glass fibre for concrete reinforcement).”

16. The product subject to ADD can be categorised into a different kinds of glass fibre including the followings-
 - a) direct rovings (DR),
 - b) assembled rovings (AR),
 - c) glass chopped strands (CS),
 - d) glass chopped strands mats (CSM)
17. The present investigation is limited to exclusion of “Glass Fibre Rovings used for production of Wind Grade Fabrics for Windmill Blades” (hereafter referred to as product under investigation or PUI) falling under HS Code 70191200, from the scope of the product under consideration and exemption from the scope of the existing antidumping duty.
18. After initiation of the investigation various interested parties, including M/s. Owens-Corning (India), have filed their submission on various aspects of the case and the submissions, arguments and the evidence provided by the applicant and other interested parties and the information available on record have been considered as appropriate and to the extent they are relevant for the purpose of this finding. The Authority notes that submissions have also made by Jushi Group Co., Ltd, Jushi India Fiberglass Pvt. Ltd., Chongqing Polycomp International Corp (CPIC), who had participated in the original and sunset review investigations. While these parties have now joined the applicant in seeking exclusion of the PUI, it is noted that these parties did not seek exclusion of the PUI at the time of original investigations.
19. As per Para 9 of the notice of initiation dated 04.10.2019, the applicant has sought review on the following grounds.
 - a. Domestic Industry does not produce Glass Fibre Roving required for the production of Glass Fabrics for Wind Mill Blades and attempts by the Applicants to develop vendors for this type of roving from the domestic manufacturers for supply of wind grade fabrics has failed.
 - b. The glass rovings produced by the Domestic Industry have failed the various fabric laminate tests carried out by wind mill blade manufacturers and international laboratories.
 - c. Domestic Industry’s production capacities and sourcing pattern has changed due to closure of manufacturing facility of M/s Owens Corning Industries (India) Pvt. Ltd. in Thimapur.
 - d. The Applicant, who is manufacturer of wind grade glass fabric, is suffering due to non-availability of required input materials from the domestic market and are forced to import at higher costs.
20. As regards, the arguments by the applicant that the submissions of the other interested parties should be rejected being beyond the mandatory time line, the Authority notes that the submissions

of the DI was received by the Authority 29.11.2019 and the NCV was received on 3.12.2019. The oral hearing was conducted on 3.12.2019. The Applicant has submitted that the submissions of M/s. Owens-Corning (India) are beyond the time limit and they were not provided NCV of the submissions of interested parties till the hearing. In this respect the authority notes that though time is the essence of the investigation, in the interest of getting a complete perspective of the matter, all submissions have been examined to take a considered view on the subject.

21. The Authority notes that it has been mentioned that the product, direct roving, is largely used for two applications – for manufacturing of windmill blade and for housing of hub. The applicant has requested for exclusion is limited only to direct roving used for fabric meant for manufacturing of wind blades, and not housing of hub.
22. The Authority notes that the domestic industry produces different types of glass fibres. The production process employed by the domestic industry starts with melting and refining, followed by fiberisation, drying, sizing and curing. The first product produced by the domestic industry is direct roving. These direct roving can be sold as it is in the market or processed further into assembled rovings (AR), glass chopped strands (CS), glass chopped strands mats (CSM). The domestic industry produces a number of different types of direct rovings having texvaraints from 200tex to 9600tex and direct roving compatible with all thermoset resin systems (Major ones being Epoxy, Polyester, Vinyl Ester, Phenolic).
23. The Authority conducted verification of the information submitted by the applicant and domestic industry to understand the product scope and application of rovings in wind mill blade manufacturing and the related technical details. The product development and testing process and criticality of rovings in wind mill blade structural design and performance parameters were also noted.
24. During the on-site visit of the applicant's plant, it was demonstrated that the glass fabric required to manufacture Blade demands a high mechanical properties & other quality standards. The glass rovings being requested for exclusion by the applicant are used in critical parts of the wind-mill blade such as main laminate and trailing edge, which require higher mechanical properties in the glass fibre rovings. During the visit the plant of Owens Corning (India), the range of rovings and their specifications were demonstrated.
25. While seeking exclusions the Applicant contended that Domestic Industry does not produce Glass Fibre Roving required for the production of Glass Fabrics for Wind Mill Blades and attempts by the Applicants to develop vendors for this type of roving from the domestic manufacturers for supply of wind grade fabrics has failed. The domestic industry has filed the sales listing, invoices to fabrics manufacturers, product data sheets of Glass Fibre Roving required for the production of Glass Fabrics for Wind Mill Blades. The Authority notes that the fact that domestic industry has produced and sold direct rovings to fabric manufacturers such as Kush Synthetics Ltd. and Saertex, Pune and the fabric produced by these manufacturers and domestic industry themselves, have been used by windmill manufacturers such as Siemens Gamesa Renewable Energy, LM Wind Power, Inox Wind

Ltd. and Suzlon Energy Ltd. establishes that the direct rovings produced by the domestic industry in fact are used for making wind grade fabric for wind blade application. A possible fact that one or more consumers have not used the product or have found the product unsuitable does not imply that the same should be excluded when there are significant consumers of the product who have earlier used the product produced by the domestic industry and have not raised any concern or complaint about the product. It is important to appreciate that domestic industry also makes windgrade fabric from the rovings manufactured by them.

26. The applicant contended that the direct roving supplied by the domestic industry in 2015 did not meet the specifications and the wind grade fabric produced out of such direct roving had failed to meet the laid down specifications. The domestic industry contended that the Applicant have not provided even a single evidence that their product was rejected due to raw material failure. The Authority notes that the wind grade fabric or a wind blade may fail for several reasons, including ability of the wind blade manufacturer to manufacture blade, ability of wind grade fabric manufacturer to manufacture fabric or failure on account of direct roving not meeting the technical requirements for manufacturing the fabric. The applicant has also not established that the failure is solely because of the rovings. The Authority notes that in any case a possible rejection of the product in 2015 cannot become a basis for its exclusion now. In any case, it is noted that the domestic industry is selling glass roving to a number of consumers in the country for manufacturer of wind grade fabric. In fact, the domestic industry is producing and selling wind grade fabric in Indian and international market.

27. The Authority notes that the basic arguments of the applicant, i.e., M/s Arvind PD Composites Private Limited is that certain types of glass rovings, having specific proprietary mechanical properties, required for producing glass fabrics used in Wind Mill Blades is not produced by the domestic industry and attempt (in 2015) to develop the product in the past in collaboration with the Domestic Industry (OCI) has failed quality tests resorting them to import the rovings required by them from the client approved furnaces located in China. It has been argued that the nature of the product and development and testing is such that it takes a considerable time and investment to test the product before acceptance by the wind mill blade manufacturers because of the critical nature of this component for the strength, durability and performance of the wind mills. Therefore, applicant has claimed that while they have been able to manage to supply the fabrics to their global customers in wind mill blade segment through advance license route, due to high antidumping duty they are unable to supply to the reputed domestic manufacturers of wind mill blades. The Authority notes as follows in this regard:

- a. Since the windmill manufacturers are required to use only approved wind blades, the wind blade manufacturers are, therefore, required to use a fabric approved by the windmill manufacturer. Further, the windmill manufacturers approve not only the fabric used for making blade but also the fibre used for making fabric. The direct roving used for making fabric is also duly approved by the windmill manufacturer. The applicant contended that direct roving produced and supplied by the domestic industry for wind grade fabric are not approved by windmill blade manufacturers. The domestic industry has provided approvals

of wind fabrics manufacturers of the rovings produced by them in their Taloja plant. Therefore, the Authority notes that the rovings manufactured by the domestic industry has requisite approvals from windmill blade manufacturers.

- b. The applicant is relying upon a test certificate of 2015 while contending that the specifications of direct rovings supplied by the domestic industry does not meet the specifications laid down under the applicable standards. The Authority notes that the domestic industry has also provided a test certificate of 2018 which clearly shows that the direct roving produced by the domestic industry meets the specifications laid down under the relevant standards. Further the domestic industry has provided specifications sought by various other wind blade manufacturers and their approvals of rovings manufactured in their Taloja plants. The table below gives value of the product supplied by the domestic industry and the specifications sought by the various consumers:

	Wind grade	Tensile strength, MPa	Tensile Modulus, MPa	#Shear Strength, MPa
Petitioner		2610	81150	75
**	**	**	**	**
	**	**	**	**
**	**	**	**	**
	**	**	**	**
**	**	**	**	**
	**	**	**	**
**	**	**	**	**
	**	**	**	**

It is noted by the Authority that the specification laid down by the Applicant is at higher end which is generally not sought by the wind blade manufacturers, whom the Applicant is also selling the wind blade fabrics. The test reports filed by the domestic industry however, indicates that the standards laid down by the Applicant are met. This indicates that there are no standard specifications for the wind grade rovings and it changes from customer to customer.

- c. It is also noted that the domestic industry itself is a manufacturer of the Wind Blade fabrics and both the Applicant as well as domestic industry have supplied the fabrics to the same customers like Siemens Gamesa Renewable Power Limited. The domestic industry has filed sales listing, invoices, pre trial approvals and final approvals of the wind blade fabrics as well as the rovings manufactured by the domestic industry in its Taloja plant. It is noted that the rovings and fabrics made from that rovings manufactured by the domestic industry meets the requisite specifications of the wind blade manufacturers.

28. As regards the contention that the domestic industry was producing the product at Hyderabad plant and does not produce the same at Taloja plant, Authority notes that the domestic industry produces the product at its Taloja plant. The manufacturing facilities of the domestic industry were visited by the authority where on the spot verification was conducted at the premises of the domestic industry. It has been verified through plant visit and documents on records that domestic industry produces rovings for wind blade fabrics at its Taloja plant. The domestic industry has also filed approvals of customers like Siemens Gamesa Renewable Power Limited and LM wind, the wind blade manufacturers for the rovings manufactured in Taloja plant.
29. As regards imports of glass fibre by the domestic industry, the authority notes that the domestic industry imported the product under investigation during shutting down of furnace for refurbishing the same and for meeting the requirements of customers during this period. It is further noted that the domestic industry has imported other types of glass fibre from countries other than China.
30. As regards to the contention of the applicant that GL lab in Germany does the testing and approve the facility and once the processes of the manufacturer are approved, the facility is considered eligible to manufacture critical wind grade fabrics which implies that their manufacturing processes are internationally acceptable. The applicant has submitted the DNV GL Certificate for their plant, however, the Authority notes that the domestic industry has also submitted approval of DNV GL on their fibre Windstand 2000 & 3000 produced in their Taloja plant.
31. The Authority notes that in the past the following product exclusions were considered time and again based on the request of cooperating interested parties during the Original, Mid-term and first sunset review investigations:

Investigations	Product exclusion sought
Original	Micro glass fibre used in battery separator, surface mat/surface veil/tissue
Mid Term Review	Micro glass fibre with fibre diameter in the range of 0.3 – 2.5 microns
First Sunset Review	Wet chopped strand
	Cemfil (<i>alkali resistant glass fibre for concrete reinforcement</i>)

It is noted that Jushi Group and Chongqing Polycomp International Corp (CPIC) had participated in the original and sunset review investigations. While these parties have now joined the applicant in seeking exclusion of the PUI, these parties did not seek exclusion of the PUI at the time of original investigations.

It is further noted that as claimed by the applicant, the product under investigation produced by the domestic industry failed as per the report in 2015, however, the Authority did not receive any request for exclusion of product under investigation from any of importer/exporter/ end user including the applicant during the first SSR which was initiated on 7th July 2015 and the final findings were issued on 6th July, 2016.

32. The Authority notes that in the first SSR, Saertax argued as follows:

iii. M/s Saertex India Pvt Ltd, manufacturer of glass fibre fabric, has opposed imposition of ADD on imports of glass fibres on the grounds that there is no ADD on glass fabric. The ADD on glass fibre will make the raw material expensive for manufacture of glass fabric thereby leading to a situation whereby imports of glass fabric will get intensified and all the manufacturers of glass fabric will suffer from cheap imports of fabric. They have therefore requested for removing of duty from glass rovings, which is a raw material for glass fabric or also impose duty on glass fabric which is their finished goods and used for making wind mill blades.

From the aforementioned argument of M/s Saertex, the Authority notes that the Saertex did not request the removal of duty on the grounds that domestic industry is not manufacturing rovings for wind blade fabrics.

33. As regards the contention of the SKAPS Industries Limited that the domestic manufacturers of Glass Rovings have not been able to produce the special grade Glass Roving's required for windmills blade and, therefore, the glass fabric manufacturers for wind segment are completely dependent upon foreign vendors for imports of these Glass Rovings for supply of Fabric for wind mill segment, the Authority holds that the M/s SKAPS Industries Limited submitted the above comments before the Authority prior to initiation of the instant investigation and did not participate throughout the course of said investigation. Further, the evidences of Domestic industry's sales of wind grade roving to M/s SKAPS Industries Limited, submitted by the domestic industry, are also taken into account by the Authority
34. As regards the contention of the Applicant that it is suffering due to non-availability of required input materials from the domestic market and are forced to import at higher costs, and that the demand for wind grade fabric in India is four times of the production capacity in India, the Authority notes that the domestic industry has submitted that they have a capacity of ** MT which includes the glass rovings for wind grade fabric. Further, it is noted that lack of capacity to meet demand cannot be a ground for exclusion of a product type.
35. The Authority had conducted a sunset review thereafter in 2016, wherein the Authority has recommended extension of antidumping duty. Further, after 2015, the domestic industry has produced and supplied direct rovings to a large number of consumers for manufacturing of wind grade fabric. In a situation where the domestic industry has sold direct rovings to a number of consumers in the country for manufacturing of wind grade fabric, it is not appropriate to conclude that the domestic industry has not produced and supplied the product required by a particular application. The Authority notes in this regard that the applicant should be engaged in manufacturing of like article and should have produced and sold the same in the Indian market. The fact that one or more consumers have not used the product or have found the product unsuitable does not imply that the same should be excluded when there are a large number of consumers of the product who have earlier used the product produced by the domestic industry and have not raised any concern or complaint about the product.
36. The Authority also notes in this regard that a preference of a party to a particular source is different from ability of a domestic industry to produce and supply the goods. The relevant criteria for

exclusion is inability of the domestic industry to produce and supply the goods, and not inability of a particular consumer to successfully use the product supplied by the domestic industry; particularly when there are a number of consumers of the product and barring one or few exceptions, other consumers have been able to successfully and continuously for a long period use the goods produced and supplied by the domestic industry.

37. The Authority also notes that in a situation where there are laid down standards with regard to the technical parameters that a product should conform, so long as the domestic industry produced and supplied a product conforming to such standards, it cannot be held that the domestic industry has not produced and sold the product required by the consumers. The obligation of the domestic industry cannot be extended beyond its ability to produce and supply the product conforming to the laid down standards. While it may be desirable to have products having better standards and specifications, so long as the domestic industry has produced and supplied the products having laid down standards and specifications, it is established that the domestic industry has supplied like article.

F. Recommendations

38. After examining the submissions made by the interested parties and issues raised therein and considering the facts and evidences available on record, the Authority concludes that the domestic industry manufactures the like product to the Glass Fibre Roving required for the production of Glass Fabrics for Wind Mill Blades and it would not be appropriate to exclude the same from the scope of the product under consideration.
39. An appeal against the order of the Central Government arising out of this Final Findings Notification shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Customs Tariff Act, 1975.



(B.B. Swain)

Special Secretary and Designated Authority