



**KHAITAN
& CO**

Advocates since 1911

INDUSTRY-RELATED RISKS AND OPPORTUNITIES

Anti-Dumping/Indirect Tax

KABIR BOGRA, PARTNER

17 August 2018 | New Delhi

Bengaluru

Kolkata

Mumbai

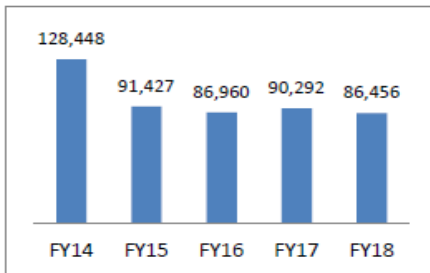
New Delhi



Overview of Glass Industry: FY18

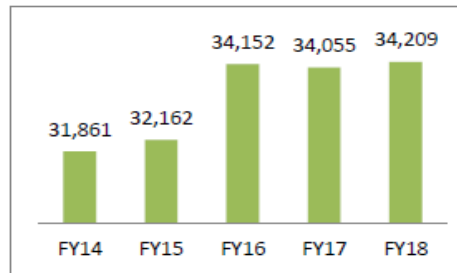
- FY 2017-18 saw muted demand from end-users due to reasons including rising input costs.

Glass Sheet ('000 sq.m.)



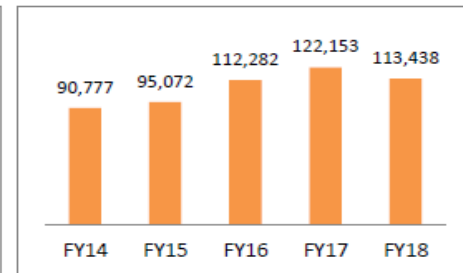
Source: CMIE

Glassware (rupees million)



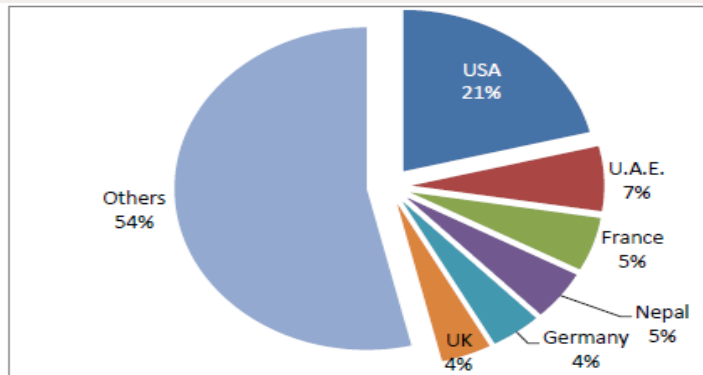
Source: CMIE

Fibre Glass (tons)

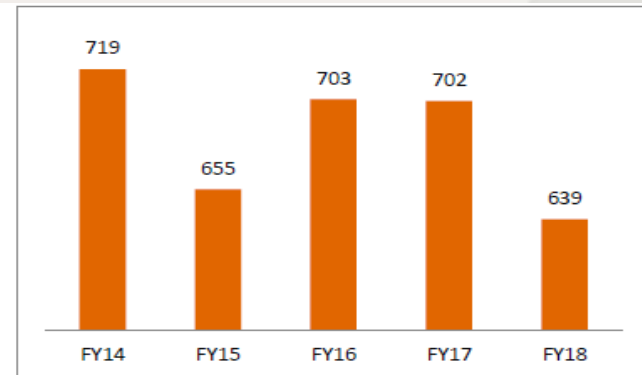


Source: CMIE

- Exports of glass products have been stagnant or declining in USD terms for since FY 14.



Source: Department of Commerce

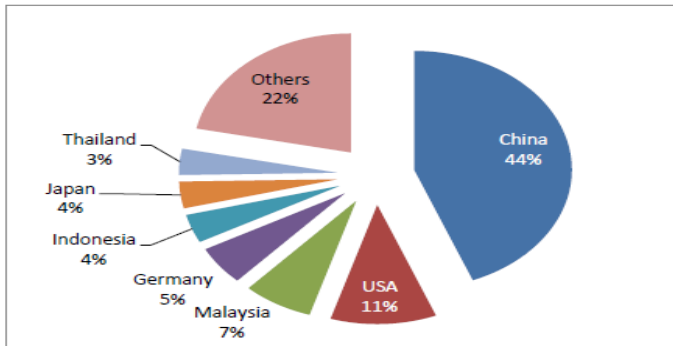


Source: Department of Commerce

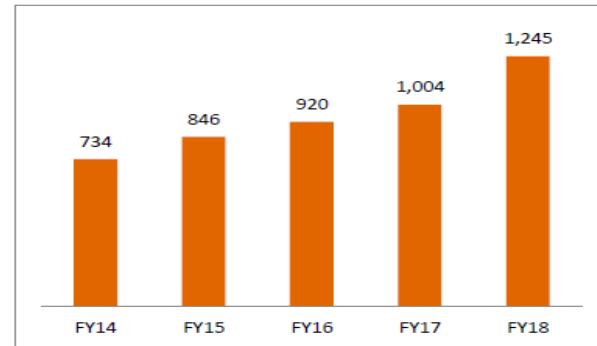


Overview of Glass Industry: FY18

- Increasing share of imports from China, United States, Malaysia, Indonesia, Thailand.



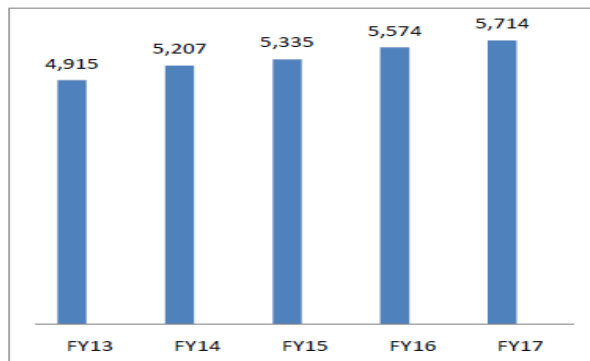
Source: Department of Commerce



Source: Department of Commerce

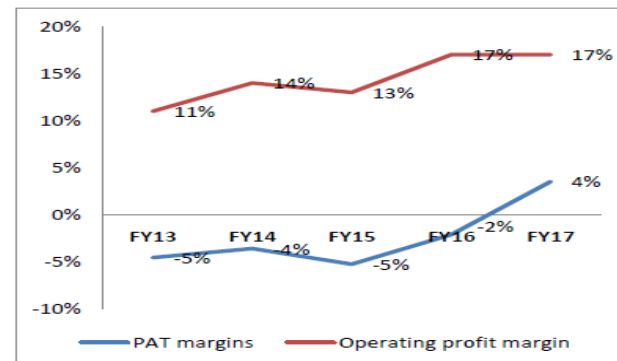
- Financial health of glass industry improved in FY 2017-18 with operating margin up at 17% and PAT margin at 4%;

Chart 14: Net Sales in for 15 Cos.(Rs Crore)



Source: Ace Equity

Chart 15: PAT & Operating profit margins of 15 players



Source: Ace Equity



Reforms in GST Rates Since 01 July 2017

GST Rates On July 01 2017

- **18% GST** on cullet/scrap glass
- **18% GST** on Glass statues [other than those of crystal]; Glass art ware [incl. pots, jars, votive, cask, cake cover, tulip bottle, vase]
- **28% GST** on cast, drawn, rolled, glass, float/polished glass, safety/insulation glass, bulbs and tubes, mirror/construction glass, etc.

Recent GST Rate Reductions

- **5% GST** on cullet/scrap glass. (13th October, 2017)
- **12% GST** on Glass statues [other than those of crystal]; Glass art ware [incl. pots, jars, votive, cask, cake cover, tulip bottle, vase] (21st July, 2018)
- **18% GST** on cast, drawn, rolled, glass, float/polished glass, safety/insulation glass, bulbs and tubes, mirror/construction glass, etc. (14th November, 2017)



Antidumping/Safeguard Remedies

Product	Country	Volume(MT)	Range	Validity
Glass Fibre-Chopped Strand Mat	Thailand	6854	47.15%	Till 01 September 2021
Clear Float Glass	Iran	37,806	24.59% - 47.15%	TBD
Glassware for Table, Kitchen, Toilet, Office	China Indonesia	30,736 4,103	955.27 (USD)	Notification to be issued
Textured Toughened (Tempered) Glass	China	1431	52.85 - 136.21 (USD)	Till 18 August 2018
Sheet Glass	China	27,026	63 (USD)	TBD
OPAL Glassware	China UAE	394 9	30.64% 4.38%	Till 08 August 2022



Antidumping/Safeguard Remedies

Product	Country	Volumes (MT)	Range	Validity
Forms of Glass Fibre	China	37000	52-55 (USD)	Last up to 13.07.2016 Extended up to (to be notified)
Clear Float Glass	Pakistan Saudi Arabia UAE	86,855	82.34 - 123.61 58.22 - 165.07 79 - 111.15	11 December 2019
Solar Cells (Safeguard Duty)	All Countries except China and Malaysia (as imports from these countries do not exceed 3% individually and 9% collectively)	9790 (MW)	1 st Year @ 25% 2 nd year @ 15% - 20%	16 July 2020
Textured Tempered Glass	Malaysia		Ongoing	



GST: Current and Emerging Issues

- **Anti-profiteering provisions**
- **Vendor Management and increase in working capital requirements**
- **Delay/non-refund**
- **Pre-import conditions**
- **Compliance, compliance, compliance!**
- **Invoice matching**



GST: Silver Linings

- **Export Incentives**
- **Reduction in GST rate**
- **Exemption**



KHAITAN
&CO

Advocates since 1911

QUESTIONS & ANSWERS



THANK
YOU

www.khaitanco.com

Khaitan & Co asserts its copyright as the author of this presentation.

The contents of this presentation are for informational purposes only. Khaitan & Co disclaims all liability to any person for any loss or damage caused by reliance on any part of this presentation.