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**F. No. 6/09/2021-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
Jeevan Tara Building, Parliament Street, New Delhi**

FINAL FINDINGS NOTIFICATION

Case No. (AD-OI -09/2021)

Dated: 05.08.2022

Subject: Anti-dumping investigation concerning imports of “Resin Bonded Thin Wheels” originating in or exported from China PR.

A. BACKGROUND OF THE CASE

F. No. 6/09/2021-DGTR: Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as the ‘Act’) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules thereof, as amended from time to time (hereinafter referred to as the ‘Rules’), thereof.

1. The Designated Authority (hereinafter referred to as “Authority”) received an application from M/s Grindwell Norton Limited and M/s Carborundum Universal Limited. (hereinafter also referred to as “applicants”) requesting initiation of anti-dumping investigation under the Act and the Rules on imports of “Resin Bonded Thin Wheels” (hereinafter also referred to as “subject goods” or “product under consideration” or “PUC”) originating in or exported from China PR (hereinafter referred to as “subject country”). The applicants provided the prescribed information in the application.
2. The Authority, on the basis of sufficient prima facie evidence submitted by the applicants, issued a public notice vide notification No. 6/9/2021-DGTR dated 7th June, 2021, published in the Gazette of India, Extraordinary, initiating the investigation in accordance with Section 9A of the Act read with Rule 5 of the Rules to determine the existence, degree and effect of the alleged dumping of the subject goods originating in or exported from the subject country and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

B. PROCEDURE

3. The procedure described below has been followed with regard to the investigation:

- a. The Authority notified the Embassy of the subject country in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Sub-Rule (5) of Rule 5 supra.
- b. The Authority issued a public notice dated 7th June, 2021 published in the Gazette of India Extraordinary, initiating anti-dumping investigation concerning imports of the subject goods from the subject country.
- c. The Authority sent a copy of the initiation notification dated 7th June, 2021 to the Embassy of the subject country in India, the known producers and exporters from the subject country, known importers, importer/user associations and other interested parties, as per the addresses made available by the applicants. The interested parties were advised to provide the relevant information in the form and manner prescribed and make their submissions known in writing within the prescribed time-limit, in accordance with Rules 6(2) and 6(4) of the Rules.
- d. The Authority provided a copy of the non- confidential version of the application to the known producers/exporters and to the Government of the subject country, through its Embassy in India in accordance with Rule 6(3) of the Rules supra.
- e. The Embassy of the subject country in India was also requested to advise the exporters/producers from the subject country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject country.
- f. The Authority, upon request made by the interested parties, granted extension of time to the interested parties to file their response as well as submissions. Vide communication dated 27th July, 2021, the time was extended up to 12th August, 2021.
- g. The Authority sent exporter questionnaire to the following known producers/exporters in the subject country in accordance with Rule 6(4) of the Rules:
 - i. China Machinery Industry
 - ii. Goodwill Tools (Shanghai) Co., Ltd.
 - iii. Henan Lucky Tools Co., Ltd.
 - iv. Hikoki Power Tools Asia Co., Ltd.
 - v. Jiangsu Zhenyuan Tools Co., Ltd.
 - vi. Langfang Shengsen Abrasives Co., Ltd.
 - vii. Nantong Wot Abarasives Co., Ltd.
 - viii. U & K Science & Tech Co., Ltd.
 - ix. Yongkang Hardware City Imp & Exp Co., Ltd.

- x. Yongkang Silver Star Abrasive Material Grinding Tool Co., Ltd.
 - xi. Zhengzhou U & K Imp & Exp Trading Co., Ltd.
- h. In response to the above notification, the following producers/exporters have responded and submitted exporter's questionnaire responses and/or legal submissions:
 - i. Langfang Shengsen Abrasives Co., Ltd.
 - ii. Zhejiang Shuanghe Technology Co., Ltd.
 - iii. Yongkang Silver Star Abrasive Material Grinding Tool Co., Ltd.
 - iv. Sceptre Industrial & Trading Co., Ltd.
 - v. Yongkang Hardware City Import & Export Co., Ltd.
 - vi. Zhejiang White Horse Abrasives Co., Ltd.
 - vii. U and K Science & Tech Co., Ltd.
 - viii. Zhengzhou Huifeng Abrasive Wheel Manufacturing Co., Ltd.
 - ix. M/s Yongtai (Zhengzhou) Abrasives Co., Ltd.
 - x. Linyi Dapeng Hardware & Abrasive Products Co., Ltd.
 - xi. Henan Xicheng Abrasives Co., Ltd.
 - xii. Xuchang Ka ijie Abrasive Co., Ltd.
 - xiii. Jiangsu Bondflex Sumeng New Material Co., Ltd.
 - xiv. Guangdong Chuanghui Industrial Co., Ltd.,
 - xv. Ningbo Dahua HongLian Grinding Wheel Co., Ltd.
 - xvi. Dacheng Abrasive Tools Co., Ltd.
 - xvii. Henan New Yichang Abrasives Co., Ltd.
 - xviii. Henan Youkai Grinding Abrasives Co., Ltd.
 - xix. Henan Lucky Tools Co., Ltd.
 - xx. Landmark Exim (HK) Co., Ltd.
 - xxi. Zhengzhou Grinding Abrasives Co., Ltd.
 - xxii. China Machinery Industry International Cooperation Co., Ltd.
 - xxiii. M/s Henan Daguang Import and Export Co., Ltd.
 - xxiv. Bondflex Industrial Pte. Ltd.
 - xxv. Chuang Hui (Tak Ying) Co., Ltd.

- xxvi. Zhengzhou Chang Billion Abrasives Co., Ltd.
- xxvii. Goodwill Tools (Shanghai) Co., Ltd.
- xxviii. Zhengzhou U&K Imp and Exp Trading Co., Ltd.
- i. The Authority sent importer/user questionnaires to the following known importers and users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules:
 - i. A. M. Enterprises
 - ii. Ahad Trade Pvt Ltd
 - iii. Aipl Zorro Private Limited
 - iv. Bosch Limited
 - v. Fmi Limited
 - vi. Hikoki Power Tools India Private Ltd
 - vii. Jk Files (India) Ltd.
 - viii. Lsl Tools Private Limited
 - ix. Makita Power Tools India Pvt.Ltd,
 - x. Powertex Tools Company Pvt Ltd
 - xi. Precision Abrasives
 - xii. S M Impex
 - xiii. Topline Trading
 - xiv. Vijay Enterprises
- j. In response to the above notification, the following importers or users have responded and submitted importer/user questionnaire responses and/or legal submissions and/or registered as interested parties:
 - i. M/s. FX Pigments Private Limited
 - ii. Precision Abrasives HUF
 - iii. Precision Abrasives Pvt Ltd
 - iv. Ahad Trade Private Limited
 - v. Industrial Tools Corporation
 - vi. Yuri Tools Impex LLP
 - vii. LSL Tools Pvt
 - viii. Powertex Tools Company Pvt

ix. AIPL Zorro Pvt. Ltd-NCV

- k. In response to the above notification, China Chamber of Commerce for Import and Export of Machinery and Electronic Products ('CCCME'), which is an association of the producer / exporters from China PR has also filed the legal submissions.
- l. A list of all interested parties was uploaded on DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties since the public file was not accessible physically due to the ongoing global pandemic.
- m. The period of investigation (POI) for the purpose of present investigation is 1st January, 2020 to 31st December, 2020 (12 months). The injury examination period has been considered as the period from April 2017 - March 2018; April 2018 - March 2019, April 2019 - March 2020 and the period of investigation.
- n. The Authority obtained transaction-wise import data from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) and Directorate General of Systems & Data Management (DGS) for the subject goods for the injury period and the POI, and analysed the data after due examination of the transactions.
- o. The non-injurious price (hereinafter referred to as "NIP") based on the cost of production and reasonable profit to sell the subject goods in India, having regard to the information furnished by the domestic industry in accordance with Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules, has been worked out so as to ascertain whether ADD lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- p. The Authority visited the plants of the applicants to verify the production of the PUC. The desk verification of the information provided by the applicant, to the extent deemed necessary, was carried out by the Authority. Only such verified information with necessary rectification, wherever applicable, has been relied upon for the purpose of this final findings.
- q. The information provided by the responding exporters was examined by the Authority by way of a table study, to the extent deemed necessary. Only such information with necessary rectification, wherever applicable, has been relied.
- r. The information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to the other interested parties. Wherever possible, the parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- s. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigation, or has

significantly impeded the investigation, the Authority has considered such parties as non-cooperative and examined the matter on the basis of the facts available.

- t. The Authority also provided an opportunity to all interested parties to present their views orally on the PUC and PCNs in a hearing held on 19th January, 2022 considering the submissions filed by the interested parties. All the parties who had attended the oral hearing were provided an opportunity to file their written submissions on PUC and PCNs.
- u. The Authority notified the final PCNs and also issued a clarification on PUC vide notice dated 17th February, 2022.
- v. In accordance with Rule 6(6) of the Rules, the Authority also provided an opportunity to all interested parties to present their views orally in a hearing held on 12th April 2022. All the parties who had attended the oral hearing were provided an opportunity to file written submissions, followed by rejoinders, if any.
- w. One of the co-applicants, namely, Carborundum Universal Limited withdrew as an applicant vide letter dated May 04, 2022 but claimed that it continues to support the application and the investigation as a supporter. In view of the change in the composition of the domestic industry, the said letter was circulated to all the participating interested parties for their comments, an opportunity of oral hearing was again provided to all interested parties to present their views orally in the hearing held on 11th July, 2022 in accordance with Rule 6(6) of the Rules. All the parties who had attended the oral hearing were provided an opportunity to file written submissions, followed by rejoinders, if any.
- x. Since a large number of producers and exporters participated in the investigation, and the examination of their responses and PCN wise data was taking more time than the usual, the Authority requested the Ministry of Finance to extend the time limit to complete the investigation. The Ministry of Finance agreed and extended the time to complete the investigation up to 6th August, 2022.
- y. A disclosure statement containing the essential facts in this investigation which would have been formed the basis of the final findings was issued to the interested parties on 29.07.2022 and the interested parties were allowed time upto 03.08.2022 to comment on the same. The comments on the disclosure statement received from the interested parties have been considered, to the extent found relevant, in this final findings notification.
- z. The submissions made by the interested parties during the course of this investigation, wherever found relevant, have been addressed by the Authority, in this final findings notification.
- aa. ‘***’ in this final findings notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

- bb. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = Rs. 75.02

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

4. At the stage of initiation, the product under consideration was defined as:

“3. The product under consideration (PUC) is "Resin Bonded Thin Wheels". The product under consideration is used in the market in various sectors ranging from welding, cutting, foundry to primary metal markets for nagging and cutting ferrous and non-ferrous materials. It is manufactured by using the process of moulding of the wheel on press and then baking in ovens followed by stripping and packing. The following types of Resin Bonded Thin Wheels are included in the scope of the PUC:

- a) Cutting Wheels of 300 MM to 356 MM diameter, commonly referred to as 12" to 14" inch diameter respectively;
- b) Ultra-Thin Wheels of 100 MM to 127 MM diameter, commonly referred to as 4 " to 5" inch diameter respectively;
- c) Grinding Wheels of 100 MM to 107 MM diameter, commonly referred to as 4" inch diameter;
- d) Grinding Wheels of 178 MM to 180 MM diameter, commonly referred to as 7" inch diameter respectively.

4. The subject products are classified under Chapter Heading 68 of the Customs Tariff Act. The customs classification is indicative only and in no way binding on the scope of the present investigation.”

C.1. Submissions by the other interested parties

5. The other interested parties have submitted as follows with regard to the product under consideration, like article and the PCNs:
- i. The PCN classification is insufficient to take into account differences in the costs and prices of different types of products under consideration as the different types of wheels differ in terms of associated costs and prices. The domestic industry itself recognises such differences in their product catalogue.
 - ii. Diameter, thickness and netting are the characteristics of the PUC which influence the prices and costs of producing various types of PUC and on the basis of which the PCNs can be devised.
 - iii. The applicants have identified four types of product under consideration. However, the applicants have given incomplete information with regard to different types/forms of the product. There are three categories of product under consideration,

- i.e., (a) black resin bonded thin wheel (b) maroon/red resin bonded thin wheel and (c) green resin bonded thin wheel. While these wheels are differentiated in the market place on the basis of the colour, they are primarily differentiated on the basis of essential product characteristics and differ in terms of parameters such as raw material, manufacturing process, target market, technical characteristics, consumer perception, cost, price, end application, etc. as is explained in detail below.
- iv. The following parameters lead to the difference in the cost and price of the product under consideration:
 - a. Category of product under consideration- whether green, maroon/red or black.
 - b. Prime or Non Prime
 - v. The word ‘includes’ used in defining the scope of the PUC contradicts the PCN methodology proposed by the applicants. It is not clear whether the scope of the PUC covers products other than these four types. Therefore, the Authority is requested to clearly state or clarify that the scope of the PUC is limited to the four different types of abrasive wheels identified in the Petition/Initiation Notification.
 - vi. The Indian industry does not and cannot produce green resin bonded thin wheel. The Authority, therefore, is request to exclude the same from the scope of the product under consideration. Further, PUC types that were not commercially produced by the petitioners during the POI should not be included within the scope of the PUC.
 - vii. On the basis of the descriptions for each of the types of cutting wheels in the petition, it would appear that the PUC covers only abrasive wheels for cutting metals. By necessary implications, this would exclude abrasive wheels for cutting non-metal substances such as wood, tiles, glass, and marble.
 - viii. From the description of grinding wheels functions and uses, it appears that the PUC types would cover only grinding wheels for surface preparation. Therefore, grinding wheels intended for post-surface preparation processes such as polishing are not covered within the scope of the PUC.
 - ix. With regard to second PCN, i.e., “Ultra-Thin Wheels of 100 MM to 127 MM diameter, commonly referred to as 4” to 5”, the Authority must clarify the scope of word ‘ultrathin’ in terms of thickness of the wheels. According to the respondents, the thickness beyond 1.6 mm cannot be called as ultra-thin cutting wheel. The Authority should issue necessary clarification that cutting wheels beyond 1.6 mm of 4” and 5” diameter are not covered in the scope of the PUC.
 - x. The following types of items should be excluded from the product scope:
 - i. 107*1*16mm ultra-thin cutting wheel green with good look and performance
 - ii. 355*2.5*25.4mm ultra-thin cutting wheel green with long useful life and sharpness.
 - iii. 100*2.5*16mm GC WA grinding wheels strong in speciality for industrial use.

- iv. 100*6*16mm grinding wheels strong in speciality for industrial use.
- v. 125*6*22.23mm grinding wheels strong in speciality for industrial use.
- xi. The PCN methodology finalized by the Authority is inadequate as it has not considered differences in costs arising out of major factors which influence the price of the PUC like the thickness of the PUC within each of the six PCNs.
- xii. Exclude Flexible WA and GC Grinding Wheels for surface polishing / finishing from the scope of the PUC.
- xiii. The petitioners have not manufactured and sold 4” and 5” cutting wheels of 1 Net during the POI and hence these wheels should also be excluded from the product scope.
- xiv. Since there are several units of measurements and the application is on weight basis, the applicants were required to specify the methodology adopted to convert different volumes on weight basis.
- xv. Green resin bonded wheel is different from the wheel produced and supplied by the domestic industry in terms of properties such as grit size, grit structure, and hardness. These different properties are achieved by using different combination of raw materials, viz., WA (White Alumina) and BFA (Brown Fused Alumina). Green resin bonded wheel is different from the wheel produced and supplied by the domestic industry in terms of properties such as grit size, grit structure, and hardness. These different properties are achieved by using different combination of raw materials viz. WA (White Alumina) and BFA (Brown Fused Alumina).
- xvi. The cost of production of black and green wheels are so materially different and it is natural that they carry different prices.
- xvii. Green wheels are not produced by applicants and are still included in the product scope. The three kinds of wheels, viz., Black, Green and Maroon differ in terms of associated costs and prices. The applicants have considered very wide product scope and have even included products not manufactured by them and should thus be excluded.

C.2. Submissions of the domestic industry

- 6. The domestic industry has submitted as follows with regard to the product under consideration, like article and the PCNs:
 - i. The Product under Consideration in the present investigation is “Resin Bonded Thin Wheels” of the following types:
 - a) Cutting Wheels of 300 MM to 356 MM diameter, commonly referred to as 12” to 14” inch diameter respectively;

- b) Ultra-Thin Wheels of 100 MM to 127 MM diameter, commonly referred to as 4" to 5" inch diameter respectively;
- c) Grinding Wheels of 100 MM to 107 MM diameter, commonly referred to as 4" inch diameter.
- d) Grinding Wheels of 178 MM to 180 MM diameter, commonly referred to as 7" inch diameter respectively."

(hereinafter also referred to as "Product under Consideration" or "Subject Goods").

- ii. The interested parties have requested the Authority to clarify that abrasive wheels for cutting metal are only covered within the scope of the PUC. The interested parties have requested the Authority during the virtual meeting to clarify that abrasive wheels used for cutting non-metals like marbles are not covered within the scope of the PUC. In this context, the domestic industry submits as under:
 - a) The domestic industry has mentioned only the normal use of the product under consideration. However, the same may be used for cutting non-metals like plastic etc. It may be noted that Abrasive Grains are the second hardest material. The buyer may use the PUC as per its convenience. There is no restriction on its use.
 - b) Marble cutting wheels are made of diamond with steel core and not manufactured using Aluminium Oxide or Silicon Carbide abrasive grains as raw materials. The HS Code of marble cutting wheel and PUC cutting wheel is also different. One of the interested parties has also accepted this fact during the virtual meeting.
 - c) Cutting wheels (PUC) and marble cutting wheels are altogether different. So, exclusion of marble cutting wheel from the PUC will be like excluding "Steel Pipes" in case the PUC is "Plastic Pipes".
- iii. The interested parties have made every possible effort to obfuscate the Authority by interchangeably using the term "marble cutting wheel" and "marble polishing wheel" during the virtual meeting while seeking a clarification that grinding wheels intended for post-surface preparation processes such as polishing would not be covered within the scope of the PUC. In this context, it is submitted that Flexible GC wheel is a PUC grinding wheel, which may also be used for the polishing of marble. The domestic industry manufactured the same during the POI. Sample invoices of the same were filed. Accordingly, the request of the interested parties to clarify that grinding wheels intended for post-surface preparation processes such as polishing would not be covered within the scope of the PUC is without any merit and hence, should be denied.
- iv. The domestic industry has manufactured green wheels during the POI. Sample copies were filed with the Authority. Further, the domestic industry also shared a video of its plant manufacturing green wheels.

- v. The difference on account of colour is very minimal (less than 2%). In order to substantiate our claim in this context, sample copies of the invoices of different colours of the same or nearest date were filed. Without prejudice to the above, it may also be noted that it is not must that the domestic / Indian industry must produce all sub-types / sub-grades of the PUC.
- vi. The domestic industry also submits that there is no difference in material used in green wheels and other wheels. The following producers / exporters have also accepted this fact:
- I. Dacheng Abrasive Tools Co., Ltd.
 - II. Goodwill Tools (Shanghai) Co., Ltd.
 - III. Henan Xicheng Abrasives Co., Ltd.
 - IV. Linyi Dapeng Hardware & Abrasive Products Co., Ltd.
 - V. Xuchang Kaijie Abrasive Co., Ltd.
- vii. The relevant excerpts from the submissions filed by the above-mentioned producers / exporters on 24 January, 2021 are reproduced below.

“With regard to the PUC that comes in different colors such as green, red, black, we understand that the colors are different on wheels., is due to the use of different color dyes. The main raw-materials are same-Aluminum oxide....”

- viii. From the above, it is amply clear that there is even no consensus among the interested parties regarding the materials used in green wheels and other wheels. The domestic industry also submits that difference in the selling price, if any, is on account of multiple parameters like demand-supply situation, order quantity, etc. and not solely based on cost.
- ix. Twenty-eight (28) exporters have filed the questionnaire response. However, none of these exporters has requested to make PCNs based on diameter, thickness and netting, which signifies that all these parameters are not essential for the purpose of PCNs. It may not be out of place to mention that importers or the Associations have limited role to play on the issue of PCNs as they are not involved in the comparison exercise either for dumping margin or for injury margin. It is only the domestic industry's and the exporter's data which is relevant for PCNs. As pointed out earlier, none of the cooperating exporters has considered the above factors as relevant for comparison analysis.
- x. Thickness and netting are not the essential parameters, which affect the cost and price, as can be seen from the fact that none of the 28 responding exporters have requested to make PCNs considering the same.
- xi. As regards the principles to be adopted in the context of PCNs, attention of the

Authority is invited to anti-dumping investigation against imports of imports of “Acrylonitrile Butadiene Rubber (NBR)” from China PR, European Union (EU), Japan and Russia (F. No. 6/18/2020-DGTR dated 12th May, 2021) where JSC Krasnoyarsk Synthetic Rubber Plant (Russian Producer / Exporter) had requested to make PCNs as product has different grades, based on the Acrylonitrile content and Mooney viscosity. The Authority has duly noted that depending on ACN content and Mooney Viscosity, the product is categorized into low, medium and high NBR. However, the Authority did not accept the request of exporter primarily based on following facts:

- a) Domestic industry has not proposed any PCN-wise analysis in its application;
- b) There are no universal known grades of the product;
- c) No request for PCN wise analysis was received from other cooperating producers and exporters from other subject countries;
- d) Majority of the production and sales is in medium NBR;
- e) The exporter has not established to what extent the difference in the cost of production of different grades is due to difference in the product characteristics.

xii. Without prejudice to the above, it is submitted that the domestic industry has already devised the PCNs based on the diameter as follows:

- (i) Cutting Wheels of 300 MM to 356 MM diameter, commonly referred to as 12” to 14” inch diameter respectively;
- (ii) Ultra-Thin Wheels of 100 MM to 127 MM diameter, commonly referred to as 4” to 5” inch diameter respectively;
- (iii) Grinding Wheels of 100 MM to 107 MM diameter, commonly referred to as 4” inch diameter;
- (iv) Grinding Wheels of 178 MM to 180 MM diameter, commonly referred to as 7” inch diameter.

xiii. The domestic industry had suggested a range for Cutting Wheels (12” to 14” inch diameter) and Ultra-Thin Wheels (4” to 5” inch diameter) considering the fact that a common measurement, i.e., MT would neutralize the impact of the difference in diameter and thickness. For example, in the case of Float Glass, the Authority has considered the unit of measurement as MT to neutralize the impact of differences in the thickness and also for the sake of ease. However, the domestic industry has no difficulty in providing the information based on each diameter for Cutting Wheels and Ultra-Thin Wheels, in case the Authority considers it appropriate to classify the same based on each diameter considering the above facts. The following

would be the PCNs after classifying the PUC based on different diameters:

- i. Cutting Wheels of 300 MM to 310 MM diameter, commonly referred to as 12” inch diameter;
 - ii. Cutting Wheels of 345 MM to 356 MM diameter, commonly referred to as 14” inch diameter;
 - iii. Ultra-Thin Wheels of 100 MM to 110 MM diameter, commonly referred to as 4” inch diameter;
 - iv. Ultra-Thin Wheels of 120 MM to 127 MM diameter, commonly referred to as 5” inch diameter;
 - v. Grinding Wheels of 100 MM to 107 MM diameter, commonly referred to as 4” inch diameter;
 - vi. Grinding Wheels of 178 MM to 180 MM diameter, commonly referred to as 7” inch diameter.
- xiv. With regard to netting, the domestic industry would like to invite the attention of the Authority to the following facts:
- a) Netting is neither mentioned on the sales invoice nor any sales documents which implies that it has little or no impact on the pricing;
 - b) Netting is not provided in the majority of the entries of the import data (around 81%);
 - c) None of the interested parties has quantified the difference in the cost and selling price on account of the difference in netting;
 - d) The share of uncommon / non-regular wheels with respect to netting is marginal. Uncommon wheels mean wheels other than the wheels with number of nettings having majority sales volume. For example, if a particular wheel is manufactured using 1 and 2 netting and more than 90% sales is of 1 netting then wheel with 1 netting is referred as common wheel and others as uncommon wheels;
- xv. If any party proposes any variables for the purpose of constructing the PCNs, it is obligatory upon them to provide the different yardsticks within the same parameter. Kindly appreciate that in the absence of such details, the claims are without any merit and not worthy of any comments from the other interested parties nor are they worthy of consideration by the Hon’ble Authority. Without prejudice to the aforesaid, kind attention of the Authority is invited to the following facts:
- a) Twenty-eight (28) exporters have filed the questionnaire response. However, only two of them (One Group) have requested to make PCN based on colour and Prime / Non-Prime, that too, without any reasoning or basis let alone

evidence.

b) It is reiterated that colour is not a relevant factor at all, as also admitted by the concerned exporters that the product is differentiated in the market not on the basis of colour but other parameters. As regards the Prime/ Non Prime, no information has been provided by the said exporters. It may also be reiterated that for the “other parameters” also, no information, basis or evidence has been provided.

c) The difference in the cost on account of colour is also insignificant. Price mainly depends on the demand and supply forces. Further, the interested parties have also not quantified the difference in the cost and pricing of the product on account of difference in colour.

d) Prime and Non-Prime are only a nomenclature, which is mainly based on unquantifiable essential parameters (consumer perception, target market etc.) claimed by the interested parties. Prime and Non-Prime is not a universal known grade of the product.

In addition to the above, kind attention of the Authority is invited to the anti-dumping investigation against imports of Cold-Rolled Flat Products of Stainless Steel from China PR, Japan, Korea, European Union, South Africa, Taiwan, Thailand and USA (F. NO.14/6/2008-DGAD dated 24th November, 2009), wherein the Authority has not made any distinction between Prime and Non-Prime.

e) Essential parameters provided by the interested parties requesting to make PCNs are not quantifiable. For example, the interested parties have mentioned customer perception, target market etc. as essential parameters for the purpose of devising PCNs. However, the same cannot be quantified. Further, as mentioned earlier, it may be noted interested parties have also not provided the details of the difference in the manufacturing process of the PUC of different colors as well as of Prime and Non-Prime. It is submitted that the manufacturing process to produce the PUC of different colors and grades is same.

xvi. Fourteen (14) exporters have not made submissions at all on the PUC and PCN either prior to the virtual meeting or during the virtual meeting. This clearly proves that the issues raised by other interested parties on the PUC and PCNs are bald and without any substance.

xvii. Most of the parameters provided by the interested parties requesting to make PCNs are not tangible or quantifiable in nature.

xviii. PUC only includes those 4 types as defined in the initiation notification.

xix. The details of the functions & uses provided in the application only reflects the key applications in which the product under consideration may be used. The buyer may

use the same in other applications as well as per their preference.

- xx. Without prejudice to the above, it is submitted that no exclusion can be made based on usage or application as such an exclusion is alien to the anti-dumping laws and will also lead to circumvention of the duties.
- xxi. The domestic industry requests the Authority to consider the word “Ultra-Thin Wheel” in terms of thickness as Wheel with thickness up to 1.6mm (plus tolerance of +0.15mm). The Indian Standard also prescribes a tolerance level of +/- 0.15mm for the subject goods falling in the range of 0.4mm to 1.6mm.
- xxii. The domestic industry manufactured and sold the following types of the PUC.
 - a. 107*1*16mm ultra-thin cutting wheel green with good look and performance.
 - b. 355*2.5*25.4mm ultra-thin cutting wheel green with long useful life and sharpness.
 - c. 100*2.5*16mm GC WA grinding wheels strong in speciality for industrial use.
 - d. 100*6*16mm grinding wheels strong in speciality for industrial use.
- xxiii. As regards to the exclusion of “125*6*22.23 mm grinding wheels strong in speciality for industrial use”, it may be noted that the PUC does not include Grinding wheel of diameter above 107 mm and below 178mm. Accordingly, this grade is not covered within the scope of the PUC.
- xxiv. With regard to the request of the interested parties to exclude Flexible WA and GC Grinding Wheels for surface polishing / finishing from the scope of the product under consideration, the domestic industry submits as follows:
 - a) The domestic industry has manufactured and sold Flexible WA and GC Grinding Wheels. Sample copies of the invoices of the same were already filed with the Authority.
 - b) Without prejudice to the above, there is no requirement under the law that the domestic industry must produce each and every diameter / thickness, etc. falling within the scope of the product under consideration.
- xxv. As regards the request of the interested parties to exclude 4” and 5” cutting wheels of 1 Net from the scope of the product under consideration, the domestic industry has submitted that the domestic industry has manufactured and sold 4” and 5” cutting wheels of 1 Net. The domestic industry has already shared Glass Fibre Disk (GFD) wise production dump with the Authority. Netting is not an important parameter. The Authority has also not considered netting in the PCNs issued vide its notice dated 7th February, 2022.

C.3. Examination by the Authority

7. The product under consideration was defined as below at the stage of the initiation:

“3. The product under consideration (PUC) is "Resin Bonded Thin Wheels". Product under consideration is used in the market in various sectors ranging from welding, cutting, foundry to primary metal markets for nagging and cutting ferrous and non-ferrous materials. It is manufactured by using the process of moulding of the wheel on press and then baking in ovens followed by stripping and packing. The following types of Resin Bonded Thin Wheels are included in the scope of the PUC:

- a) Cutting Wheels of 300 MM to 356 MM diameter, commonly referred to as 12" to 14" inch diameter respectively;
- b) Ultra-Thin Wheels of 100 MM to 127 MM diameter, commonly referred to as 4 " to 5" inch diameter respectively;
- c) Grinding Wheels of 100 MM to 107 MM diameter, commonly referred to as 4 " inch diameter;
- d) Grinding Wheels of 178 MM to 180 MM diameter, commonly referred to as 7" inch diameter respectively.

4. The subject products are classified under Chapter Heading 68 of the Customs Tariff Act. The customs classification is indicative only and in no way binding on the scope of the present investigation.”

8. The Authority, on the basis of the submissions and arguments made by the domestic industry and various other interested parties, provided an opportunity to all the interested parties to present their views orally on PUC and the PCNs in a hearing held on 19th January, 2022. All the parties who had attended the oral hearing were provided an opportunity to file their written submissions on the PUC and PCNs. Subsequently, on examination of the comments received from various interested parties, the Authority finalized the PCN methodology for the present investigation and issued a clarification on the PUC through an order dated 17th February, 2022. All interested parties were then requested to submit questionnaire responses on the basis of the finalized PCN methodology by 24th February, 2022. The finalized PCN methodology shall be applied to assess dumping and material injury being caused to the domestic industry for the products produced during the period of investigation.
9. The Authority has considered the following PCNs for the purpose of the present investigation considering the submissions made by the interested parties: -
- a) Cutting Wheels of 300 MM to 310 MM diameter, commonly referred to as 12 inch diameter.
 - b) Cutting Wheels of 345 MM to 356 MM diameter, commonly referred to as 14 inch diameter.

- c) Ultra Thin Wheels of 100 MM to 110 MM diameter, commonly referred to as 4 inch diameter.
 - d) Ultra Thin Wheels of 120 MM to 127 MM diameter, commonly referred to as 5 inch diameter.
 - e) Grinding Wheels of 100 MM to 107 MM diameter, commonly referred to as 4 inch diameter
 - f) Grinding wheels of 178 MM to 180 MM diameter, commonly referred to as 7 inch diameter.
10. The Authority has issued the following clarifications relating to the PUC:-
- a. PUC is restricted only to the 6 PCNs as mentioned above.
 - b. Cutting/Grinding Wheels made of raw material other than resin bonded abrasives are not covered under the scope of PUC.
 - c. Ultra Thin Wheels cover cutting wheels of thickness upto 1.6 mm with tolerance of +/- 0.15mm.
11. As regards the argument of exclusion of green resin bonded thin wheels, the Authority notes that the domestic industry has manufactured and sold green resin bonded thin wheels during the POI. The domestic industry has also provided sampled copies of the invoices of green wheels. Therefore, the Authority holds not to exclude these from the scope of the product under consideration.
12. With regard to the request of the interested parties to clarify that the scope of the PUC is limited to the four different types of abrasive wheels identified in the Petition/Initiation Notification, it is noted that a clarification in this context was already provided in the Notification dated 17th February, 2022.
13. With regard to the methodology adopted to convert different volumes on weight basis, it is noted that in almost all entries, quantity is provided in both weight (KG) as well as different unit of measurement. In case the weight is not provided in the quantity column, the weight is calculated using the information provided in the description. Further, a common measurement, i.e., MT would neutralize the impact of the difference in diameter and thickness.
14. As regards the request of exclusion of grinding wheels intended for post-surface preparation processes such as polishing and following thin wheels, it is noted that the domestic industry has provided evidence of manufacturing and sales of these types during the POI. Therefore, the Authority has determined not to exclude these from the scope of the product under consideration. In order to ensure that no hardship is caused to any of the interested parties, it is categorically clarified through Notification dated 17th February, 2022 that Cutting/Grinding Wheels made of raw material other than resin bonded abrasives are not covered under the scope of the PUC.

15. It is noted from the information available on record that the product produced by the domestic industry is like article to the product under consideration imported from the subject country. The product produced by the domestic industry, and the subject goods imported from the subject country are comparable in terms of physical & chemical characteristics, manufacturing process & technology, functions and uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers have used and are using the two interchangeably. The Authority holds that the subject goods produced by the domestic industry are like article to the product imported from the subject country in terms of Rule 2(d) of the AD Rules.
16. Thus, the scope of the PUC is defined as follows:
“Resin Bonded Thin Wheels of the following types/PCNs:
- a) Cutting Wheels of 300 MM to 310 MM diameter, commonly referred to as 12 inch diameter.
 - b) Cutting Wheels of 345 MM to 356 MM diameter, commonly referred to as 14 inch diameter.
 - c) Ultra Thin Wheels of 100 MM to 110 MM diameter, commonly referred to as 4 inch diameter.
 - d) Ultra Thin Wheels of 120 MM to 127 MM diameter, commonly referred to as 5 inch diameter.
 - e) Grinding Wheels of 100 MM to 107 MM diameter, commonly referred to as 4 inch diameter
 - f) Grinding wheels of 178 MM to 180 MM diameter, commonly referred to as 7 inch diameter.
17. It is clarified that:
- a. PUC is restricted only to the 6 PCNs as mentioned above.
 - b. Cutting/Grinding Wheels made of raw material other than resin bonded abrasives are not covered under the scope of PUC.
 - c. Ultra Thin Wheels cover cutting wheels of thickness up to 1.6 mm with tolerance of +/- 0.15mm.

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1. Submissions by the other interested parties

18. The following submissions have been made by the other interested parties with regard to the domestic industry and its standing:

- i. The applicant companies are related to producers and exporters of the subject goods in the subject country and are themselves importer of the product under investigation.
- ii. The applicants have excluded certain Indian producers of the subject goods from the list of domestic producers. If the list of domestic producers itself is incomplete, it follows that the quantification of Indian production itself is inaccurate. And if the Indian production quantified itself is vitiated, the standing determination is flawed.
- iii. As per the petition, there are 15 producers of the subject goods in India. However, only 2 producers have appeared before the Authority to claim injury. Strangely, rest 13 have neither supported the application nor opposed the same. It appears that they are making bumper profits and do not face any injury from the imports from the subject country that is why they are not before the Authority. The producers, who are making losses for some reasons are before the Authority to take advantage of anti-dumping measures. The Authority must call information from the other producers to identify the actual facts of the situation.
- iv. Grindwell and CUMI have imported the subject goods for an assessable value of more than Rs. 8.5 crores and Rs. 3.5 crores respectively during the POI itself. The domestic industry also needs to show that the domestic industry has been producing and selling.
- v. The applicants have provided partial declarations regarding their relationship and imports. The only declaration of M/s Carborundum Universal Ltd. is with regard to imports by the company and the company stated that there are certain “special” grades that are being imported and these not being produced by them. In the declaration of M/s Grindwell Norton Ltd., it is not specified if the related exporter has exported the subject goods to India or not.
- vi. The list of domestic producers provided by the applicants is incomplete as certain Indian producers such as MDA Abrasive Group, Krystal Abrasives and BGC India MFG Pvt. Ltd. were excluded and it follows that the quantification of Indian production itself is inaccurate.
- vii. Grindwell Norton Ltd. shall not be considered as a part of domestic industry since neither Grindwell nor their related company has filed the questionnaire response with the Authority in the capacity of importers and a related exporter respectively. The Authority should have examined the following facts:
 - who is having control on the related company,
 - how much control they have on each other etc.
 - on what basis the Authority has still considered Grindwell Norton Limited as a part of the domestic industry.
- viii. GNO does not have any locus to constitute the domestic industry under Rule 5(3) reads with Rule 2(B). The Authority shall examine whether GNO still constitutes DI

even without support of CUMI.

- ix. The basis (application) on which the present investigation was initiated will no longer exist due to change in the standing of the domestic industry. The domestic industry has not clarified in the letter that even after withdrawal of CUMI, GNO solely still holds enough production % to be termed as the domestic industry.
- x. The investigation should be terminated as GNO constitute less than 50% criteria of total domestic production and does not fulfil the criteria of Rule 5(3). The 25 % test under Rule 5(3) and the test of major proportion under Rule 2(b) of the AD rules must be redetermined on the basis of revised data of GNO only since CUMI's non-co-operation in providing the requested data disentitles it to be considered either as petitioner or a supporter in the case.
- xi. The Authority in past also has terminated the investigation on similar grounds and termination order was issued: Thionyl Chloride from European Union that 11th December 2009, Plain Medium Density Fibre Board having thickness 6mm from Vietnam dated 7th May 2021., Self-Adhesive Polyvinyl Chloride Film from China PR dated 3rd August 2021.SSR of Plain Medium Density Fibre Board having thickness 6mm and above" from Vietnam dated 13th September 2021,SSR Flexible Slabstock Polvol from Thailand dated 30th December 2021. Bilateral Safeguard Investigation of PVC Suspension Grade Resin into India from Japan under Bilateral Safeguard Measures) Rules, 2017 dated 23rd July 2021.
- xii. The petitioner should be directed to file a revised petition substantiating the need for initiating the case under the changed circumstances.
- xiii. GNO does not have the standing in the current investigation. GNO is an importer of the subject goods. It has not been specified if the related exporter has exported the subject goods to India or not.
- xiv. In case GNO's production and sale of each PCN are compared with the GNO's imports made from China PR, it would reveal that GNO's character is that of the importer and trader for 4" cutting wheels and 14" cutting wheels.
- xv. Under Rule 2(b) of the AD Rules, GNO stands legally disqualified from constituting the domestic industry since it is related to the producer of dumped article in the subject country. Reliance can be placed on China's corporate registry which shows that Saint Gobain Abrasives (Shanghai) Co., Ltd., China PR is engaged in production of abrasives.

D.2. Submissions of the domestic industry

- 19. The following submissions have been made by the domestic industry with regard to the domestic industry and standing:
 - i. The applicants are not related to any importer of the subject goods in India within the meaning of Rule 2(b) of the Anti-dumping Rules.

- ii. M/s Carborundum Universal Limited is related to an exporter in the subject country. However, only a special grade was imported from its related company, which had not been manufactured by the company during that period.
- iii. The volume of imports made by the applicants is negligible as compared to total imports and demand in the country.
- iv. The Authority had requested Carborundum Universal Limited (CUMI) to provide certain business information as a part of the plant verification process, which CUMI did not provide citing the reasons that the requested information was highly business sensitive as the PUC is an engineered recipe-based product and disclosure of which can lead to serious business consequences for them, as also that the requested information is not available with the team of the abrasive division within which PUC falls. Accordingly, CUMI has withdrawn as an applicant to the captioned investigation. However, CUMI will continue to support as a supporter to the application and the above-mentioned investigation in terms of the Anti-dumping Rules (hereinafter referred to as “Rules”).
- v. GNO along with CUMI as a supporter account for more than 50% of the Indian production. Therefore, the applicant constitutes an eligible domestic industry in terms of Rule 2 (b) and also satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.
- vi. Without prejudice to the above, it is submitted that in terms of the provisions of Rule 2(b) read with 5(3) supra along with the existing established practices, the term “major proportion” is generally understood to mean the volume of production, which is more than 25% of the total production by the eligible DI in the country. Further, it is submitted that only in case of any opposition to initiation of investigation from any of the domestic producers of the PUC and like article, the DI has to be tested for 50% test. The Authority has categorically mentioned the same in para no. 4.9.11 (iii) & (iv) of the manual and also taken the same view in plethora of investigations. The relevant excerpts from the manual as well as past findings of the Authority are reproduced below to substantiate this view in this context.

Relevant Excerpts of Manual

4.9.11. “In case of multiple producers, they should be clearly identified in various categories as: (1) Applicant Producers; (2) Supporter Producers; (3) Producers opposing the application; and (4) Neutral or known silent producers, who are neither supporting nor opposing. This categorization will help in applying the 25% and 50% eligibility test. It must be borne in mind that the said twin tests are to be carried out in respect of the PUC only as defined in the previous chapter, and the determination must be based on volume data only.

(i) ...

(ii) ...

(iii) *In terms of the provisions of Rule 2(b) read with 5(3) alongwith the existing established practices, the “major proportion” is generally understood to mean the volume of production, which is more than 25% of the total production by the eligible DI in the country.*

(iv) *In case of any opposition to initiation of investigation from any of the domestic producers of the PUC and like article, the DI has to be tested for 50% test. In such a situation, it needs to be seen that the collective production of the Applicant producers along with the Supporters is more than the total production of the like article produced by eligible domestic producers opposing the application. Here the output of those producers who do not express any opinion on the application will not be taken into account.”*

Relevant Excerpts of Final Findings (Illustrative)

i. *Anti-dumping investigation concerning imports of Polyester Staple Fibre from China PR, Indonesia, Malaysia and Thailand Final Findings No. 14/49/2016-DGAD dated 25th January, 2018)*

“17. The petitioners had clear standing to file the present petition when examined in terms of Rule 5(3) of the Rules. The share of three producers forming the domestic industry constitute 49% of the Indian production during the POI and M/s. Reliance Industries Ltd. constitute 51% of the Indian production, who had neither submitted data nor opposed the petition. Since there was no opposition to the petition, the three producers namely, M/s Alok Industries Ltd., M/s Indo Rama Synthetics (India) Ltd. and M/s The Bombay Dyeing & Mfg. Co. Ltd have clear standing which was above the eligible limit of 25% as required under Rule 5(3).”

“22. The submission of the interested parties regarding the requirement of more than 50% support to the petition, is not relevant in the present case where there is no opposition to the petition and the petitioner companies are holding around 49% portion of domestic industry.”

ii. *Anti-Dumping investigation concerning imports of “Certain Epoxy Resins” from People’s Republic of China PR, European Union, Korea RP, Taiwan and Thailand (Initiation Notification No. 6/10/2018- DGAD dated 4th April, 2018)*

10. *“The petitioner is not related to an exporter or producer of the PUC in the subject countries. The Authority, therefore, determines that M/s Atul Ltd who presently holds 32% of Indian production becomes the major player in the Indian market and accounts for “major proportion” of the total domestic production and constitutes an eligible domestic industry in terms of Rule 2 (b) and also satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.”*

iii. *Anti-Dumping investigation concerning imports of “Copper & Copper Alloy Flat Rolled Products” originating in and exported from China PR, Korea RP, Malaysia, Nepal, Sri Lanka and Thailand (Final Findings No. 6/7/2020-DGTR dated 16th April, 2021)*

27. *“The evidence on record shows that the applicant commands a major proportion in the total domestic production in India. Further, the applicant, alone constitutes 35-45% of the total Indian production. Accordingly; the Authority holds that the applicant constitutes domestic industry within the meaning of Rule 2(b) of the Rules that the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules.”*

- vii. GNO individually as well as along with CUMI (as a supporter) crosses all the thresholds prescribed under the law to be considered as an eligible domestic industry.
- viii. The information of GNO only may be considered for the purpose of injury analysis, injury margin and dumping margin.
- ix. As regards allegation of relationship of the applicants with the producer / exporters of the subject goods and self-imports, at the very outset, it is submitted that applicants have made categorical disclosure in Annexure 8 regarding their relationships. The applicants have also shared complete information of the imports made by them with the Authority.
- x. The domestic industry reiterates the following:
 - a) CUMI has imported special grade from its related company in China PR, which has not been manufactured by the company during that period.
 - b) GNO has a group company in China PR but does not have any financial or operational control in the business of each other. It is submitted that financial or operational control is a must for considering two companies as related in terms of the decision taken by the Authority in Hydrogen Peroxide anti-dumping investigation (Findings No. No.14/03/2015-DGAD dated 11th April, 2017). Therefore, the two companies are not related in terms of the Anti-dumping Rules in terms of the Anti-dumping Rules as well as the consistent practice of the Authority. In any case, the company has not imported the subject goods from its group company during the period of investigation.
- xi. None of the interested parties has provided any information to prove that there are grounds for believing or suspecting that the effect of the relationship is such so as to cause the related domestic producer in India to behave differently from non-related producers. No evidence has been provided by the interested parties to prove that the related domestic producers have acted differently due to relationship or has participated in dumping practices and has taken such steps which would have resulted in self-inflicted injury.
- xii. The attention of the Authority is invited to the provisions of Rule 2(b), which provides a discretion to the Authority to consider domestic producers related to producer / exporters as eligible domestic industry.
- xiii. The attention of the Authority is also invited to the recent anti-dumping investigation

of Viscose Staple Fibre from China and Indonesia (Final Findings No. 7/03/2021 dated 31 July, 2021), wherein Grasim Industries Limited was considered as eligible domestic industry despite having related entities in the subject countries. The relevant excerpts of the same are provided below.

“24. It has been contended by the opposing interested parties that as per Rule 2(b), Grasim Industries Limited is ineligible to be considered as domestic industry because they have related entities in subject countries. The Authority notes that Rule 2(b) of the Rules provides discretion to the Designated Authority on the issue of exclusion of a domestic producer from the ambit and scope of the domestic industry on account of its relationship with an exporter in the subject country and a considered view is taken depending upon the type and extent of imports undertaken from such related entities by the applicant. The Authority needs to examine whether there are grounds for believing or suspecting that the effect of the relationship is such so as to cause the related domestic producer in India to behave differently from non-related producers.”

- xiv. With regard to self-imports, it is submitted that the imports made by the applicants account for a minuscule share both in terms of Indian demand as well as total imports. It is submitted that in the recent anti-dumping investigation of “Natural Mica based Pearl Industrial Pigments excluding cosmetic grade” originating in or exported from China PR [F. No. 6/8/2020-DGTR dated 08 June, 2021], the Authority has considered the sole producer as eligible domestic industry despite the fact that it has imported product under consideration in significant quantities from the subject country and was also a habitual importer, i.e., imported the PUC in the POI, pre-POI period as well as post POI period. The relevant excerpts from the Findings are reproduced below for the ease of reference of the Authority.

*“17. The application has been filed by M/s. Sudarshan Chemical Industries Limited. The applicant is the sole producer of the subject goods in India. The Authority considered the arguments of the interested parties regarding the imports made by the Applicant and notes that the imports made by the Applicant during the period of investigation, accounts for ***% of the total demand and ***% of the total imports into India which is not significant so as to dis entitle the Applicant from being treated as domestic industry.”*

“121.(i) The Authority notes the submission of the interested parties regarding imports made by the domestic industry and re-iterates that imports made by the domestic industry during POI account for 5% of total imports from China during POI which is not significant to disentitle the domestic industry in terms of Rule 2(b) of AD Rules.”

- xv. As regards the allegation of the validity of the application, it is submitted that the domestic industry filed a fully documented application based on which the present investigation was initiated. The non-confidential version of the same was circulated to all the interested parties. It is a settled position that once the investigation is

initiated, there can be no fresh application post initiation of the investigation. The withdrawal of a co-applicant does not affect the validity of the application in terms of Rule 5 of the Anti-dumping Rules. The Authority has taken the same view in plethora of investigations. Illustrative list of the cases is provided below.

- a) Anti-dumping investigation (Review) on imports of “Ammonium Nitrate” originating in or exported from Russia, Georgia and Iran (Final Findings dated 10th June, 2022)
 - b) Anti-dumping investigation against imports of ‘Plain Medium Density Fibre Board having thickness less than 6mm’ from Vietnam, Malaysia, Thailand and Indonesia (Final Findings dated 20th April, 2021)
- xvi. In the Plain Medium Density Fibre Board anti-dumping investigation, one of the co-applicants [Century Plyboards (India) Limited] had withdrawn its participation as constituent of domestic industry after the issuance of the disclosure statement. Despite the same, the Authority has considered the other applicant (Greenply Industries Limited/ Greenpanel Industries Limited) as an eligible domestic industry since they met the standing requirement prescribed under the Rules.
- xvii. The domestic industry understands that the Authority does not call for a revised petition subsequent to initiation as a matter of consistent practice, that too after the hearing process is over.
- xviii. As regards the allegation made by the interested parties of exclusion of certain Indian producers from the list of domestic producers, it is humbly submitted that the domestic industry has provided details of the other Indian producers based on its market intelligence. Without prejudice, it is submitted that the three other Indian producers referred by the interested parties command a very insignificant share in the total Indian production as per our best available information. Therefore, inclusion of the same will not impact the eligibility of the applicants to be considered as the domestic industry as well as the injury analysis. Without prejudice, it is submitted that the interested parties are required to produce evidence and demonstrate as to how the eligibility of the applicant is affected by the existence of some other producers.

D.3. Examination by the Authority

20. Rule 2(b) of the Anti-Dumping Rules defines domestic industry as under:

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

21. The application was originally filed by M/s Grindwell Norton Limited and M/s Carborundum Universal Limited. However, M/s Carborundum Universal Limited has withdrawn as an applicant as it was not able to provide certain information requested as a part of the data verification process. However, CUMI has submitted that it will continue to support as a supporter to the application and the investigation in terms of the Anti-dumping Rules (hereinafter referred to as “Rules”). It has also submitted that it has already filed the information, which is required to be filed by a supporter in terms of note no. 2 of the Trade Notice No. 04/2021 dated 16th June, 2021.
22. It is noted that in terms of the provisions of Rule 2(b) read with 5(3) of the Anti-dumping Rules along with the existing established practices, the term “major proportion” is generally understood to mean the volume of production, which is more than 25% of the total production by the eligible DI in the country. Further, it is submitted that only in case of any opposition to initiation of investigation from any of the domestic producers of the PUC and like article, the DI has to be tested for 50% test. It is noted that that M/s Grindwell Norton Limited alone accounts for a major proportion of the Indian production under Rule 2(b) to the extent of ***% and the application satisfies the criteria in terms of Rule 5(3) of the Anti-dumping Rules.
23. The Authority considered the arguments of the interested parties regarding the imports made by the applicant and notes that the imports made by the applicant during the period of investigation accounts for ***% of the total demand; ***% of the total imports into India and ***% of their own production, which is not significant so as to disentitle the applicant from being treated as domestic industry.
24. It has been contended by the opposing interested parties that as per Rule 2(b), applicants are ineligible to be considered as domestic industry because they have related entities in subject countries. The Authority notes that Rule 2(b) of the Rules provides discretion to the Authority on the issue of exclusion of a domestic producer from the ambit and scope of the domestic industry on account of its relationship with an exporter in the subject country and a considered view is taken depending upon the type and extent of imports undertaken from such related entities by the applicant. The Authority needs to examine whether there are grounds for believing or suspecting that the effect of the relationship is such so as to cause the related domestic producer in India to behave differently from non-related producers. It is also noted that GNO has a group company in China PR, which is engaged in the manufacturing and exports of subject goods to India. However, it is noted that the group company in China PR has neither exported the subject goods to GNO nor to any other entity in India during the POI. The Authority has also confirmed the same from DG System data. The Authority holds that the applicant is eligible domestic industry within the meaning of Rule 2(b) of the Anti-dumping Rules.
25. As regards the exclusion of certain Indian producers from the list of domestic producers, it is noted that Grindwell Norton Limited alone accounts for a major proportion of the Indian production under Rule 2(b) to the extent of ***% the total production and also none of the other Indian producers referred to by the interested parties provided any

evidence/data to demonstrated as to how the eligibility of the applicant is affected by the existence of some other producers.

26. After the withdrawal of CUMI as an applicant, the Authority directed GNO to file the revised petition and circulate the non-confidential of the same to the other registered interested parties. GNO filed revised data. Further, an opportunity was also provided to all interested parties to present their views orally on the changed composition of domestic industry in the second hearing held on 11th July, 2022 in accordance with Rule 6(6) of the Rules. All the parties who had attended the oral hearing were provided an opportunity to file written submissions, followed by rejoinders, if any.
27. Considering the information on record, the Authority has determined that the production of the applicant accounts for a major proportion in the domestic production of the like article and the applicant is eligible domestic industry within the meaning of Rule 2(b) of the Rules. The application satisfies the criteria of standing in terms of Rule 5(3) of the Anti-dumping Rules.

E. CONFIDENTIALITY

E.1. Submissions by the other interested parties

28. The following submissions have been made by the other interested parties regarding confidentiality:
 - i. The applicants have claimed excessive confidentiality in respect of the norms specified in the Annexure.
 - ii. The applicants have claimed complete confidentiality over Formats A, B, C, D, E, I, J, K, and L by simply claiming that these are business sensitive information and failed to share non-confidential summary with relevant headings, expense, time period, and other such criterion considered by the applicants. Excessive confidentiality was claimed even to the extent that the names of raw materials used have been claimed confidential.
 - iii. The applicants have also not specified aggregate data of production of both the applicants and the total of Indian production, imports made by applicants, NIP range, etc. have been completely withheld. The costing formats with indexed data has also not been provided.
 - iv. The applicants in their application have claimed the most basic and important details such as range of the share of Indian applicants' production in total Indian production, imports by the applicant companies, import segregation, non-injurious price calculation etc., entirely confidential.
 - v. The applicants have not provided imports made by them in +/- 5% range; and non-injurious price in +/- 10% range leading to insufficient information to the opposing interested parties to defend their interests.

- vi. Updated data of GNO was shared on 2nd July, 2022. The imports made by GNO have not been provided in range terms as a percentage of petitioner's total production, petitioner's sale and total demand of PUC. GNO is not suffering any material injury.
- vii. The domestic industry has claimed excessive confidentiality. It has not provided details of various factors such as details of production volume of GNO, details of production volume of 14 other domestic producers, total domestic production in India, share of GNO in the total domestic production, details of ranges of percentage share of GNO in the total domestic production, share of 14 other domestic producers in the total domestic production, details of ranges of percentage share of 14 other domestic producers in the total domestic production, details of related companies such as names etc. of GNO, details/numbers/percentages of imports of GNO.
- viii. In the updated data of GNO shared after CUMI's withdrawal from the investigation, the imports made by GNO have not been provided in range terms as a percentage of the petitioner's total production, the petitioner's sales and total demand of PUC, the details of total Indian production and source thereof.

E.2. Submissions of the domestic industry

29. The following submissions have been made by the domestic industry regarding confidentiality.
 - i. The claims made by the interested parties regarding excessive confidentiality is wrong and misplaced, and hence denied. The domestic industry has submitted their application as per the format prescribed by the Authority, including the confidentiality statement following the practice of the Authority and also adhered to the Trade Notice No 10/2018 dated 7th September, 2018. The data of the domestic industry had been filed as prescribed.
 - ii. The interested parties have failed to fulfil their obligations under the Indian law by not providing the meaningful summary of the response to the exporters' questionnaire. The interested parties have claimed excessive confidentiality without any proper justification. The exporters have claimed production process, channel of distribution, name of raw materials, etc. as confidential.
 - iii. The interested parties have not only failed to provide a meaningful response, but they have also failed to give any reasons for claiming such excessive confidentiality. The appendices enclosed with the responses contain no meaningful non-confidential response and, in some cases, the same are either totally blank or are not enclosed with the response
 - iv. Each and every information submitted by a party on a confidential basis cannot be regarded as confidential unless the same is supported by reasons and is so accepted by the Authority. In other words, Rule 7 does not in any manner mean that the exporter can get away with minimal information; rather it casts a responsibility on the exporters to furnish summaries in sufficient details so as to permit a reasonable

understanding of the substance of the information submitted on confidential basis.

- v. The law on confidentiality has been laid down by the Hon'ble CESTAT in Vitrified Tiles case. The Appellate Tribunal has clearly held that information provided to Designated Authority on confidential basis is not required to be treated as confidential merely because it is provided to the Designated Authority on a confidential basis and has further laid down detailed guidelines to examine claims of confidentiality. Further, it has been clearly held that confidentiality is not a mere tool to deny disclosure to kill transparency, or to create a handicap for opposing parties. It has been laid down that for the purpose of transparency, there is an obligation on the Authority to require the parties to furnish non-confidential summaries, which shall be in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence.

E.3. Examination by the Authority

30. With regard to confidentiality of information, Rule 7 of the Rules provide as follows:

“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule(2) of rule 12, sub-rule(4) of rule 15 and sub-rule

(3) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.

(2) The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.

Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.”

31. The Authority examined the confidentiality claims of the interested parties and on being satisfied allowed the claim on confidentiality. The Authority considers that any information which is by nature confidential (for example, because its disclosure would be of significant competitive advantage to a competitor or because its disclosure would have a significantly adverse effect upon a person supplying the information or upon a person from whom that person acquired the information), or which is provided on a confidential basis by parties to an investigation shall, upon good cause shown, be treated as such by the Authority. Such information cannot be disclosed without specific permission of the

party submitting it.

32. The Authority has considered the claims of confidentiality made by the applicants and the opposing interested parties and on being satisfied about the same, the Authority has allowed the claim on confidentiality. The Authority made available to all interested parties the non-confidential version of evidence submitted by various interested parties.

F. MISCELLANEOUS

F.1. Submissions by the other interested parties

33. The following miscellaneous submissions have been made by the other interested parties:

- i. CCCME constitutes as an interested party, CCCME is a business association with members being producers of various sectors of machinery and electronic products. Resin Wheels is an important sector for CCCME. The major proportion of the exporters exporting the subject goods have authorized CCCME to represent them in the subject investigation. The submissions made by CCCME previously on a number of occasions have been accepted by this Authority and there is no reason or change in facts or law to alter the practice.
- ii. The petitioners' expression of the unit of measurement of the PUC in weight instead of pieces is incorrect.
- iii. The demand in India for just 4" CW is around 5 crores to 6 crores pieces per month, i.e., more than 50 crores pieces per annum. On the other hand, the petitioners do not have even one tenth of this capacity to produce and supply the PUC to users in the India market.
- iv. Reference price-based duty be recommended. This is because the market for import of the PUC is plagued by undervaluation by some unscrupulous traders.
- v. There has been steep increase in freight costs over the last two years. Shipping costs remain very high till date. If the purpose of anti-dumping duty was to save the petitioners from alleged injury by raising the cost of imports, this purpose has already been achieved through the increase in shipping costs for the importers. If, on top of this, anti-dumping duty is imposed on the subject imports, it will be extremely unfair to the interests of the user industry and the importers as a whole.
- vi. Abrasive wheels are generally employed by small-scale contractors and labourers in the construction industry, who are dependent on affordable availability of the PUC. The petitioners have already increased their domestic selling prices in the recent past. In such a scenario, if anti-dumping duty is imposed, it will make their business unviable and severely impact their livelihood.
- vii. The request for the withdrawal of application by CUMI should not be entertained by the Authority at this point of time when the investigation has almost reached the stage of completion.
- viii. If any applicant wants to withdraw the application, then as per Rule 14(a) of the

Rules, the whole application needs to be withdrawn. In this regard, the Authority is requested to refer and recall the past cases wherein the Authority has terminated the investigations in case the applicant has withdrawn the application.

- ix. CUMI has failed to specify under what legal provisions one of the applicant producers can walk away and withdraw from the current investigation and that too on flimsy grounds.
- x. Withdrawal of CUMI, for mere reasons of confidentiality, should not be considered by the Authority when investigation has almost reached at the final stage. The whole investigation has to be terminated as per Rule 14(a).
- xi. Now, if the anti-dumping investigation is continued by the Authority, it would make the process cumbersome and complicated as old data has to be discarded and new information has to be given. The Authority has to commence a denovo fresh enquiry on the basis of data given by Grindwell Norton Limited (GNO) and has to discard data given by CUMI till date in the current investigation.

F.2. Submissions of the domestic industry

34. The following miscellaneous submissions have been made by the domestic industry:

- i. China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME) has failed to fulfil their obligation to be considered as interested parties in terms of Rule 2(c). In this context, the domestic industry invites the kind attention of the Hon'ble Authority to the provisions of Rule 2(c), which read as under:

“(c) “interested party” includes -

(i) an exporter or a foreign producer or the importer of an article subject to investigation for being dumped in India, or a trader or business association a majority of the members of which are producers, exporters or importers of such an article;

(ii) the government of the exporting country; and

(iii) a producer of the like article in India or a trade and business association a majority of the members of which produce the like article in India;”

- ii. It is amply clear from the above that the association present in the above-mentioned investigation is certainly not falling under the category of a producer, exporter or importer. The association can, therefore, claim the status of a business association only under Rule 2(c). Therefore, a business association can be permitted to participate as an interested party in an investigation only and only if it is proved to the satisfaction of the Authority that the majority of its members are either importers or producers of subject goods.
- iii. There is no evidence on record that such an exercise has been carried out by CCCME to prove the basic requirements for being considered as an interested party. The

association has not even provided the list of their members along with their respective activities so as to enable the Authority to ascertain their status as an interested party. Under the circumstances, CCCME cannot be considered as an interested party in terms of Rule 2(c).

- iv. The contention of the interested parties that petitioner's expression of the unit of measurement (UOM) of the PUC is in weight instead of pieces is wrong and without understanding of the facts. It may please be appreciated that for the purpose of proper analysis, there has to be a common parameter of measurement particularly when the subsets of the PUC have differences in their specifications like diameter, thickness etc. Under such circumstances, the only option available to any investigating Authority is to bring the PUC to a common unit which in this case is weight (MT). It may be noted that in plethora of investigations, the Authority has considered common UOM like Square Meter, MT, KG etc., which are different from the UOM in which sales takes place. For example, in the case of Vitrified Tiles, the Authority has considered the UOM as MT while the sales take place in square meters. Same way, in the case of Glass, the Authority has considered the UOM as MT while the sales take place in square meters. Other such examples include, Lead Acid Batteries, MDF, Textures & Tempered Glass, back sheet, EVA, ceramic tableware, aluminium wheels, radial tyres, where the UOM for anti-dumping purposes is different from the unit of sales.
- v. In addition to the above, the attention of the Authority is invited to the following facts:
 - a) In most of the import entries, the UOM is KG.
 - b) Quantity in KG is also mentioned in the invoice.
 - c) Customs Tariff Act also mentioned the UOM in pcs.
 - d) There is no consensus between the interested parties on UOM since only one consulting group out of the four has contested MT as UOM.
- vi. As regards demand-supply gap, the domestic industry submits that the allegation is without merit as the Indian industry has the capability to cater to almost entire demand. Without prejudice, it is submitted that anti-dumping measures do not restrict imports in any manner and, therefore, do not affect the availability of the product to the consumers.
- vii. The request made by the interested parties not to entertain the request of CUMI for withdrawal is not only without the authority of the law and against the consistent practice of the Authority. It is conceptually and legally wrong, misleading and without any merit. There is no restriction, legal or logical, on a co-applicant from withdrawing from the application. Further, it is also submitted that the law does not specify any time frame within which request for withdrawal can be made by a co-applicant. In past, the Authority has accepted the withdrawal request even after issuance of the disclosure statement.

- viii. As regards the Supreme Court Judgement in the case of Haldor Topsoe and the Footwear Panel Report cited by the interested parties, it is submitted that the same is in a totally different context. The reliance on this judgment by the interested parties is woefully misplaced. In the case of Haldor Topsoe, the exporter claimed the normal value and resulting dumping margin without providing the relevant information to the Authority. It was in this context that the Hon'ble Supreme Court held that Rule 6(8) shall be applicable. Under the circumstances, the decision of the Authority to use the best information available was upheld by the Court.
- ix. With regard the allegation of the interested parties that the whole application needs to be withdrawn as per Rule 14(a) of the Rules, it is submitted that the suggestion is neither legal nor logically sustainable.
- x. The above Rule is applicable only under the following circumstances:
- a) That the request is on behalf of the applicant domestic industry at whose instance the investigation was initiated.
 - b) That the request should be in writing for "terminating" the investigation.
- xi. In the instant case, there is no request for termination of the investigation. Further, the withdrawal is also by only one of the two applicants and not by the applicant domestic industry. Unfortunately, it seems that the interested parties have not been able to discern the difference between the applicant domestic industry and the co-applicant. To reiterate, only one of the applicants has withdrawn and not the applicant domestic industry.
- xii. It may not be out of place to mention that keeping in view the legal position, the Authority has allowed a co-applicant to withdraw from the investigations at various stages of the investigations in several instances in the past and accepted their request and recommended duties. Needless to state that the legal requirements have to be applied only in the context of the remaining industry. In the instant case, it may be appreciated that CUMI continues to support the application.
- xiii. In the context of the past cases cited by the interested parties to substantiate their contention that the Authority has terminated the investigations in case the applicant has withdrawn the application, it is submitted that the interested parties have cited six cases. It may be noted that the cited investigations were terminated on account of one of the following reasons:
- a) Request was made by the applicants and sole applicant to terminate the investigation in terms of Rules;
 - b) Request was made by the major co-applicant to terminate the investigation in terms of Rules;
 - c) Application was filed under a wrong legal provision.
- xiv. The request made by the interested parties to impose reference price-based duty on the ground of undervaluation by some unscrupulous traders is completely illogical, without understanding of the facts and hence, denied.

F.3. Examination by the Authority

35. With regard to CCCME, it is noted that only that association can be considered as “interested party” the majority of the members of which are producers, exporters or importers of “such an article” in terms of Rule 2(c)(iii) of the Anti-dumping Rules. In the present investigation, CCCME has not provided the list of their members along with their respective activities so as to enable the Authority to ascertain their status as an interested party in terms of the Rules. However, in the larger public interest, the submissions made by CCCME are taken into account to the extent the same are relevant.
36. As regards the existence of demand-supply gap, the Authority notes that possible demand-supply gap cannot deprive a domestic industry from seeking redressal against dumped imports causing injury. If the exporters wish to meet the requirement in Indian market that could be done by meeting the requirements at an undumped price.
37. With regard the submission that the petition does not have prima facie evidence to justify initiation, the Authority notes that the application contained sufficient prima facie information relevant for the purpose of initiation of investigation. The Authority, only after satisfaction that the application contained sufficient prima facie evidence to justify initiation of investigation decided to initiate the present investigation.
38. The Authority notes that the purpose of anti-dumping duty, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of anti-dumping measures does not aim to restrict imports from the subject country in any way. The Authority recognizes that the imposition of anti-dumping duties might affect the price levels of the product in India marginally. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measures. On the contrary, imposition of anti-dumping measures would ensure that no unfair advantages are gained by resorting to the practice of dumping.
39. As regards imposition of reference price duty, the Authority notes are follows:
- a) Anti-dumping duty is calculated based on the actual price information of a particular producer / exporter. A producer / exporter who has undervalued the subject goods, would be subject to the highest duty.
 - b) The major raw materials are liable to price fluctuations. Accordingly, the import prices may fluctuate mainly on account of the fluctuations in the raw material cost.
 - c) PUC involves many grades or types with different prices and cost.
- In view of above, the Authority notes that in the present investigation reference price-based duty may not effectively protect the domestic industry against the dumping.
40. With regard to the submission made by the interested parties that the request for the withdrawal of application by CUMI shall not be entertained by the Authority at this point

of time when the investigation has almost reached the stage of completion, it is noted that there is no restriction, legal or logical, on a co-applicant from withdrawing from the application. The law does not specify any time frame within which request for withdrawal can be made by a co-applicant. However, the Authority also observes that the withdrawal towards the conclusion of the investigation and without proving any coherent reasoning for the same is unprincipled at the part of the applicant. Further, the withdrawal has significantly disturbed the course of the investigation, and leading to delay in conclusion.

41. In view of above, the Authority has decided not to terminate the instant investigation as GNO has fully-cooperated in the investigation and also has standing as domestic industry on its own strength. However, the acceptance of the withdrawal from co-applicant in the instant investigation should not be misconstrued as a precedence.

G. MARKET ECONOMY TREATMENT, NORMAL VALUE, EXPORT PRICE AND DETERMINATION OF DUMPING MARGIN

G.1. Submissions by the other interested parties

42. The following submissions have been made by the other interested parties regarding normal value, export price and dumping margin.
 - i. Reference was made to the decision of the WTO in the matter of US Hot Rolled Steel wherein it was clearly stated that the investigating authority shall ensure that the comparison of normal value with export price is fair and considers all the parameters that impact the cost and price of the products. The obligation of the interested parties in this regard is limited only to pointing out how the present comparison is unfair.
 - ii. The normal value for the companies from China PR in the current investigation is to be determined on the basis of their domestic sales and the cost of the subject goods in view of the fact that the period of 15 years for disregarding the domestic prices or costs of Chinese producers not being on market economy conditions as provided in para 15(a)(ii) of the Protocol of Accession of the People's Republic of China to WTO, has expired on 11th December 2016 in terms of para 15(d) and has become non-operational.
 - iii. The domestic industry has also not followed the procedure prescribed in Para 7 of the Annexure I of the Indian Anti-dumping Rules.
 - iv. For constructing the normal value, the petitioners have resorted to the last method and bypassed the first and second methods by simply averring that such information is not available in public domain. The petitioners have not provided reasons for not considering the price of exports of PUC from third countries to India. Such a methodology by the petitioners is contrary to the decision of the Hon'ble Supreme Court in *Shenyang Matsushita*.

G.2. Submissions of the domestic industry

43. The following submissions have been made by the domestic industry regarding normal value, export price and dumping margin.
- i. China PR has been considered as non-market economy by the Authority in all recent investigations.
 - ii. With regard to MET and determination of normal value, it is submitted that while the provision contained in Article 15 (a)(ii) expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO read with obligation under 15 (a)(i) of the Accession Protocol require criterion stipulated in para 8 of the Annexure I of the Rules to be satisfied through the information/data to be provided in the supplementary questionnaire on claiming the market economy status. It is submitted that none of the responding producers / exporters from China PR has submitted response to the supplementary questionnaire in the prescribed form and manner.
 - iii. In terms of Para 8 of Annexure I of the Anti-dumping Rules, China PR has to be presumed to be a non-market economy country as it has been treated as a non-market economy country for purposes of plethora of anti-dumping investigations by the designated authority or also by other competent authorities of any WTO member countries during the preceding three years as non-market economy country unless the concerned firms / producers / exporters are able to rebut the said presumption based on the criteria laid down in Para 8(3).
 - iv. Para 8(2) of Annexure-I leaves no choice for the Designated Authority but to presume China PR to be a non-market economy country. However, the same is open to rebuttal by the Chinese Companies under the provision of Para 8(3). It may be appreciated that the Designated Authority is a creature of the statute and has to perform its obligations and exercise the powers as specifically assigned to it under the specific provisions of the statute. Therefore, unless the provisions of Para 8 are amended, it is incumbent upon the Designated Authority to operate in accordance with the procedure prescribed in Para 8. Therefore, the normal value for China PR should be determined in accordance with Para 7 of the Annexure I.
 - v. Without prejudice to the aforesaid, the domestic industry most respectfully submits that the significant extent of continued government intervention in certain important sectors of the Chinese economy warrants maintaining China's designation as a Non-Market Economy country. It is a known fact that China's economy is controlled by the state forces and there is a significant interference and control of the state machinery in the country's economy. The grant of Market Economy Status under China's accession to the WTO is not automated but contingent upon China's compliance with the preconditions mentioned in the Accession Protocol. Therefore, the domestic industry respectfully submits that the responding producers from China PR should not be granted Market Economy Status for the following reasons:
 - vi. Market economy status cannot be given unless the responding Chinese exporters establish that the prices of major inputs substantially reflect market values.

- vii. Market economy treatment must be rejected in such situations where Chinese exporters are unable to establish that their books are consistent with International Accounting Standards. The requirement on insisting compliance with International Accounting Standards is to ensure accuracy and adequacy of revenues and expenses, assets and liabilities expressed in the annual report.
- viii. Market economy status cannot be granted unless the responding Chinese exporters pass the test in respect of each and every parameter laid down under the rules.
- ix. Market economy status cannot be granted unless the responding company and its group as a whole make the claim. If one or more companies forming part of the group has not filed the response, the claim for market economy status must be rejected.
- x. It has been submitted that the normal value for China in such a case can be determined only in accordance with the provisions of Para 7 of the Annexure I to Anti-dumping Rules without invoking proviso to 8(2) in view of the aforementioned facts and circumstances.
- xi. The normal value in China can thus be determined on the basis of cost of production in India, duly adjusted, including selling, general and administrative expenses and profit as per the consistent practice of the DGTR.
- xii. The Authority has rejected the claim of the exporters even in the most recent findings [See Final Findings No.14/14/2014-DGAD, dated 8th April, 2017 in the case of Vitrified Tiles from China] on the ground of government-controlled exchange rate.
- xiii. It is submitted that for the purpose of determination of normal value in case of a non-market economy country, an appropriate third market economy country is required to be selected as the first alternative. In this context, it is submitted that domestic industry is not in a position to obtain any price details for the PUC prevalent in any of the market economy third country as this information is not available in the public domain. The domestic industry, therefore, request the Designated Authority to construct the normal value estimated on the basis of price actually paid or payable in India for the like product, duly adjusted, to include a reasonable profit margin.
- xiv. The domestic industry apprehends, based on its market intelligence, that the producers / exporters may have mis-declared the particulars of their exports to India with an objective to get the negative or lower anti-dumping duties. The domestic industry apprehend that the exporters may have resorted to the following:
 - a) Misdeclaration of high value PCNs as low value PCNs. For example, UTW 4' might have been claimed as Grinding 4 etc.
 - b) Misdeclaration by showing NPUC as PUC.
 - c) Considering lower weight (Grams per Piece) to convert PCS into MT resulting in lower weight in MT, which will increase the price per MT.
- xv. In view of the above facts, the domestic industry requests the Authority to carry out a detailed examination of the export to India information filed by the producers /

exporters, specially of the following producers / exporters.

- a) Langfang Shengsen Abrasives Co., Ltd.
- b) Sceptre Industrial & Trading Co., Ltd.
- c) Henan Youkai Grinding Abrasives Co., Ltd.
- d) Henan Xicheng Abrasives Co., Ltd.
- e) Xuchang Kaijie Abrasive Co., Ltd.
- f) Guangdong Chuanghui Industrial Co., Ltd.
- g) Dacheng Abrasive Tools Co., Ltd.

G.3. Examination by the Authority

44. Under Section 9A(1)(c) of the Act, “normal value” in relation to an article means:

- i. The comparable price, in the ordinary course of trade, for the like article, when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or*
- ii. When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either:*
 - a. comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or*
 - b. the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6);*

45. The Authority sent questionnaires to the known producers/exporters from the subject country, advising them to provide information in the form and manner prescribed by the Authority. The following producers/exporters have co-operated in this investigation by filing the prescribed questionnaire responses. However, none of them filed supplementary questionnaire on market economy conditions.

- a) Langfang Shengsen Abrasives Co Ltd
- b) Zhejiang Shuanghe Technology Co Ltd
- c) Yongkang Silver Star Abrasive Material Grinding Tool Co ltd
- d) Sceptre Industrial & Trading Co Ltd
- e) Yongkang Hardware City Import & Export Co Ltd

- f) Zhejiang White Horse Abrasives Co Ltd
- g) U and K Science & Tech Co Ltd
- h) Zhengzhou Huifeng Abrasive Wheel Manufacturing Co., Ltd.
- i) M/s Yongtai (Zhengzhou) Abrasives Co., Ltd.
- j) Linyi Dapeng Hardware & Abrasive Products Co., Ltd.
- k) Henan Xicheng Abrasives Co., Ltd
- l) Xuchang Kaijie Abrasive Co., Ltd.
- m) Jiangsu Bondflex Sumeng New Material Co., Ltd.
- n) Guangdong Chuanghui Industrial Co., Ltd.,
- o) Ningbo Dahua HongLian Grinding Wheel Co., Ltd.
- p) Dacheng Abrasive Tools Co., Ltd.
- q) Henan New Yichang Abrasives Co., Ltd.
- r) Henan Youkai Grinding Abrasives Co Ltd.
- s) Henan Lucky Tools Co Ltd.
- t) Landmark Exim (HK) Co., Ltd.
- u) Zhengzhou Grinding Abrasives Co., Ltd.
- v) China Machinery Industry International Cooperation Co., Ltd.
- w) M/s Henan Daguang Import and Export Co., Ltd.
- x) Bondflex Industrial Pte. Ltd.
- y) Chuang Hui (Tak Ying) Co., Ltd.
- z) Zhengzhou Chang Billion Abrasives Co., Ltd.
- aa) Goodwill Tools (Shanghai) Co., Ltd.
- bb) Zhengzhou U&K Imp and Exp Trading Co Ltd.

46. The Authority notes the following relevant provisions related to the normal value computation under the Anti-Dumping Rules. Provisions under Para 7 and Para 8 of Annexure I to the Anti-Dumping Rules are as under:

“7. In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly

adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner [keeping in view the level of development of the country concerned and the product in question] and due account shall be taken of any reliable information made available at the time of the selection. Account shall also be taken within time limits; where appropriate, of the investigation if any made in similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.

8. (1) The term “non-market economy country” means any country which the designated authority determines as not operating on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise, in accordance with the criteria specified in subparagraph (3).

(2) There shall be a presumption that any country that has been determined to be, or has been treated as, a non-market economy country for purposes of an antidumping investigation by the designated authority or by the competent authority of any WTO member country during the three year period preceding the investigation is a non-market economy country. Provided, however, that the non-market economy country or the concerned firms from such country may rebut such a presumption by providing information and evidence to the designated authority that establishes that such country is not a non-market economy country on the basis of the criteria specified in sub-paragraph (3).

(3) The designated authority shall consider in each case the following criteria as to whether: (a) the decisions of the concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values; (b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts; (c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and (d) the exchange rate conversions are carried out at the market rate. Provided, however, that where it is shown by sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph.

(4) Notwithstanding, anything contained in sub-paragraph (2), the designated authority may treat such country as market economy country which, on the basis of the latest detailed evaluation of relevant criteria, which includes the criteria specified in sub paragraph (3), has been, by publication of such evaluation in a public document, treated or determined to be treated as a market economy country for the purposes of anti-dumping investigations, by a country which is a Member of the World Trade Organization.”

47. At the stage of initiation, the Authority proceeded with the presumption by treating China PR as a non-market economy country. Upon initiation, the Authority advised the producers/exporters in China PR to respond to the notice of initiation and provide information relevant to determination of whether their data/information could be adopted for the purpose of normal value determination. The Authority sent copies of market economy treatment/supplementary questionnaire to all the known producers/ exporters for providing relevant information in this regard.

Market Economy Status for Chinese Producers

48. Article 15 of China's Accession Protocol in WTO provides as follows:

"Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

"(a) In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China based on the following rules:

(i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;

(ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.

(b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the

SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.

- (c) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.*
 - (d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."*
49. It is noted that while the provision contained in Article 15 (a)(ii) have expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO read with obligation under 15 (a)(i) of the Accession Protocol require criterion stipulated in para 8 of the Annexure I of the Rules are to be satisfied through the information/data to be provided in the supplementary questionnaire on claiming the market economy status. It is noted that since the responding producers/ exporters from China PR have not submitted response to the supplementary questionnaire in the form and manner prescribed, the normal value computation is required to be done as per provisions of para 7 of Annexure I of the Rules.
50. Accordingly, the normal value for all the producers/exporters from the subject country has been determined in accordance with para 7 of Annexure I of the Rules which reads as under.

"In case of imports from non-market economy countries, normal value shall be determined on the basis if the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection.

Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.”

Determination of normal value

51. The Authority notes that none of the producers/ exporters from China PR have filed the supplementary questionnaire response to rebut the presumptions as mentioned in para 8 of Annexure 1 of the Rules. Under these circumstances, the Authority has to proceed in accordance with Para 7 of Annexure I to the Rules in this regard.
52. None of the interested parties have provided any information with regard to selection of appropriate surrogate country. The Authority notes that since PCN methodology has been adopted for fair comparison, PCN-wise price information of market economy third country, therefore, could not be obtained. In the absence of any evidence in this regard, the Authority has determined the normal value for producers/exporters from China PR on the basis of price paid or payable in India for like products as per Para 7 of Annexure I.
53. In view of the above, the normal value for the product under consideration imported from China PR into India is determined based on the cost of production, as optimized for the domestic industry, with reasonable additions for selling, general & administrative expenses and profit margin. Accordingly, the normal value has been constructed for the producers and exporters in China PR for the product under consideration during the period of investigation as given in the dumping margin table below.

Determination of export price for co-operating producers/exporters from China PR

54. The Authority has computed the export price at PCN level for an apple-to-apple comparison with CNV for computation of PCN wise Dumping Margin which has later been converted to the weighted average level.

A. Ningbo Dahua HongLian Grinding Wheel Co., Ltd.

55. During the period of investigation, Ningbo Dahua HongLian Grinding Wheel Co., Ltd. has directly exported *** MT subject goods produced by itself to unrelated customers in India. On examining the data provided in their response, it is observed that the value chain of exports declared by the producer for the period of investigation is not correlating with the DG Systems data available with the Authority and was found to be incomplete. Therefore, the Authority determines to reject the response filed by the company and has not determined the individual margins for the company.

B. Henan New Yichang Abrasives Co., Ltd.

56. During the period of investigation, Henan New Yichang Abrasives Co., Ltd. has directly exported *** MT subject goods produced by itself to unrelated customers in

India and *** MT subject goods produced by itself through its related exporter Zhengzhou Chang Billion Abrasives Co., Ltd. After allowing the adjustment on account of ocean freight, insurance, inland transportation, insurance, port and other related expenses etc., the weighted average net export price at ex-factory level has been determined and same is shown in Dumping Margin table below.

C. Jiangsu Bondflex Sumeng New Material Co., Ltd.

57. During the period of investigation, Jiangsu Bondflex Sumeng New Material Co., Ltd. has directly exported *** MT subject goods produced by itself to unrelated customers in India and *** MT subject goods produced by itself through its related exporter Bondflex Industrial Pte. Ltd. On examining the data provided in their response, it is observed that the value chain of exports declared by the producer for the period of investigation is not correlating with the DG Systems data available with the Authority and was found to be incomplete. Therefore, the Authority determines to reject the response filed by the company and has not determined the individual margins for the company.

D. Guangdong Chuanghui Industrial Co., Ltd.

58. During the period of investigation, Guangdong Chuanghui Industrial Co., Ltd. has exported *** MT subject goods produced by itself through its related exporter Chaung Hui (Tak Ying) Co., Ltd. On examining the data provided in their response, it is observed that the value chain of exports declared by the producer for the period of investigation is not correlating with the DG Systems data available with the Authority and was found to be incomplete. Therefore, the Authority holds to reject the response filed by the company and has not determined the individual margins for the company.

E. Henan Xicheng Abrasives Co., Ltd.

59. During the period of investigation, Henan Xicheng Abrasives Co., Ltd. has exported *** MT subject goods produced by itself through three unrelated exporters Goodwill Tools (Shanghai) Co., Ltd., Zhengzhou U&K IMP and EXP Trading Co., Ltd.; U and K Science & Tech Co., Ltd. On examining the data provided in their response, it is observed that there is substantial difference in the quantum as well as price of exports reported by the exporter (Goodwill Tools (Shanghai) Co., Ltd.) and the DG Systems data available with the Authority. As the data submitted in the responses of the producer and the exporter has been found to be unreliable, the Authority holds to reject the response filed by the company and has not determined individual margins for the company.

F. Xuchang Kaijie Abrasive Co., Ltd.

60. During the period of investigation, Xuchang Kaijie Abrasive Co., Ltd. has exported ***MT subject goods produced by itself through an unrelated exporter Goodwill Tools (Shanghai) Co., Ltd. On examining the data provided in their response, it is observed that there is substantial difference in the quantum as well as price of exports reported by the exporter (Goodwill Tools (Shanghai) Co., Ltd.) and the DG Systems data

available with the Authority. As the data submitted in the responses of the producer and the exporter has been found to be unreliable, the Authority has determined to reject the response filed by the company and has not determined individual margins for the company.

G. Dacheng Abrasive Tools Co., Ltd.

61. During the period of investigation, Dacheng Abrasive Tools Co., Ltd. has exported ***MT subject goods produced by itself through an unrelated exporter Goodwill Tools (Shanghai) Co., Ltd. On examining the data provided in their response, it is observed that there is substantial difference in the quantum as well as price of exports reported by the exporter (Goodwill Tools (Shanghai) Co., Ltd.) and the DG Systems data available with the Authority. As the data submitted in the responses of the producer and the exporter has been found to be unreliable, the Authority holds to reject the response filed by the company and has not determined individual margins for the company.

H. Linyi Dapeng Hardware & Abrasive Products Co., Ltd.

62. During the period of investigation, Linyi Dapeng Hardware & Abrasive Products Co., Ltd. has directly exported *** MT subject goods produced by itself to unrelated customers in India and *** MT subject goods produced by itself through an unrelated exporter Goodwill Tools (Shanghai) Co., Ltd. The Authority notes that Goodwill Tools (Shanghai) Co., Ltd. has exported the subject goods produced by Dacheng Abrasive Tools Co., Ltd., Henan Xicheng Abrasives Co., Ltd., Xuchang Kaijie Abrasive Co., Ltd. and Linyi Dapeng Hardware & Abrasive Products Co., Ltd. On examining the data provided in their responses, it was observed that there is substantial difference in the quantum as well as price of exports reported by the exporter (Goodwill Tools (Shanghai) Co., Ltd.) and the DG Systems data available with the Authority. As the data submitted in the responses of the producers and the exporter was found to be unreliable, the Authority had proposed to reject the response filed by Dacheng Abrasive Tools Co., Ltd., Henan Xicheng Abrasives Co., Ltd. and Xuchang Kaijie Abrasive Co., Ltd. and had not determined the individual margins for them. However, the Authority had inadvertently calculated the dumping and injury margin for the producer Linyi Dapeng Hardware & Abrasive Products Co., Ltd. which had also exported the subject goods through Goodwill Tools (Shanghai) Co., Ltd. The Authority notes that Linyi Dapeng Hardware & Abrasive Products Co., Ltd. has exported the subject goods directly also. On examining the data provided in their response, it is observed that there is substantial difference in the price of exports of the subject goods that Linyi Dapeng Hardware & Abrasive Products Co., Ltd. exported directly to India from the prices through the exporter (Goodwill Tools (Shanghai) Co., Ltd.). Therefore, the data of Linyi Dapeng Hardware & Abrasive Products Co., Ltd. cannot be relied upon. As the data submitted in the response of the producer has been found to be unreliable, the Authority holds to reject the response filed by the company and has not determined individual margins for the company.

I. a) U and K Science & Tech Co., Ltd.

63. During the period of investigation, U and K Science & Tech Co., Ltd. has directly exported *** MT subject goods produced by itself to unrelated customers in India and *** MT subject goods produced by itself through its related exporters Zhengzhou U&K IMP and EXP Trading Co., Ltd. & Zhengzhou Grinding Abrasives Co., Ltd. and unrelated exporter/trader Henan Lucky Tools Co., Ltd. After allowing the adjustment on account of ocean freight, insurance, inland transportation, insurance, port and other related expenses etc., the weighted average net export price at ex-factory level has been determined and same is shown in Dumping Margin table below.

b) Henan Youkai Grinding Abrasives Co., Ltd.

64. During the period of investigation, Henan Youkai Grinding Abrasives Co., Ltd. has exported *** MT subject goods produced by itself to India through its related exporters Zhengzhou U&K IMP and EXP Trading Co., Ltd.; U and K Science & Tech Co., Ltd. and Zhengzhou Grinding Abrasives Co., Ltd. After allowing the adjustment on account of ocean freight, insurance, inland transportation, insurance, port and other related expenses etc., the weighted average net export price at ex-factory level has been determined and same is shown in Dumping Margin table below.

J. a) Yongkang Silver Star Abrasive Material Grinding Tool Co., Ltd.

65. During the period of investigation, Yongkang Silver Star Abrasive Material Grinding Tool Co., Ltd. has directly exported *** MT subject goods produced by itself to unrelated customers in India. After allowing the adjustment on account of ocean freight, insurance, inland transportation, insurance, port and other related expenses etc., the weighted average net export price at ex-factory level has been determined and same is shown in Dumping Margin table below.

b) Zhejiang Shuanghe Technology Co., Ltd.

66. During the period of investigation, Zhejiang Shuanghe Technology Co., Ltd. has directly exported *** MT subject goods produced by itself to unrelated customers in India. After allowing the adjustment on account of ocean freight, insurance, inland transportation, insurance, port and other related expenses etc., the weighted average net export price at ex-factory level has been determined and same is shown in Dumping Margin table below.

K. Sceptre Industrial & Trading Co., Ltd.

67. During the period of investigation, Sceptre Industrial & Trading Co., Ltd. has exported *** MT subject goods produced by itself through an unrelated exporter Yongkang Hardware City Import & Export Co., Ltd. After allowing the adjustment on account of ocean freight, insurance, inland transportation, insurance, port and other related expenses etc., the weighted average net export price at ex-factory level has been determined and same is shown in Dumping Margin table below.

L. Zhejiang White Horse Abrasives Co., Ltd.

68. During the period of investigation, Zhejiang White Horse Abrasives Co Ltd. has

directly exported *** MT subject goods produced by itself to unrelated customers in India and *** MT subject goods produced by itself through an unrelated exporter/trader Landmark Exim HK Co., Ltd. After allowing the adjustment on account of ocean freight, insurance, inland transportation, insurance, port and other related expenses etc., the weighted average net export price at ex-factory level has been determined and same is shown in Dumping Margin table below.

M. Langfang Shengsen Abrasives Co., Ltd.

69. During the period of investigation, Langfang Shengsen Abrasives Co., Ltd. has directly exported *** MT subject goods produced by itself to unrelated customers in India. After allowing the adjustment on account of ocean freight, insurance, inland transportation, insurance, port and other related expenses etc., the weighted average net export price at ex-factory level has been determined and same is shown in Dumping Margin table below.

N. Yongtai (Zhengzhou) Abrasives Co., Ltd.

70. During the period of investigation, Yongtai (Zhengzhou) Abrasives Co., Ltd. has exported *** MT subject goods produced by itself to India through an unrelated exporter/trader Henan Daguang Import and Export Co., Ltd. On examining the data provided in their response, it is observed that producer has reported that it has not exported the subject goods in POI to India directly. However, the same is not correlating with the DG systems data which shows that the said producer has exported significant quantity of the subject goods to India directly. Therefore, the Authority determines to reject the response filed by the company, being unreliable, and has not determined individual margins for the company.

O. Zhengzhou Huifeng Abrasive Wheel Manufacturing Co., Ltd.

71. During the period of investigation, Zhengzhou Huifeng Abrasive Wheel Manufacturing Co., Ltd. has exported *** MT subject goods produced by itself to India through an unrelated exporter/trader China Machinery Industry International Cooperation Co., Ltd. After allowing the adjustment on account of ocean freight, insurance, inland transportation, insurance, port and other related expenses etc., the weighted average net export price at ex-factory level has been determined and same is shown in Dumping Margin table below.

Determination of export price for non-cooperating producers/exporters from China PR

72. The normal value and export price for the non-cooperating exporters from China PR has been determined as per facts available taking into account the data examined for the co-operating exporters and the same is mentioned in the dumping margin table.

Determination of dumping margin

73. Considering the normal value and export price determined as above, the dumping margin for the subject goods from the subject country has been determined as follows:-

Dumping Margin Table

| Producer | Normal Value | Net Export Price | Dumping Margin | Dumping Margin | Dumping Margin Range |
|--|--------------|------------------|----------------|----------------|----------------------|
| | US\$/MT | (US\$/MT) | (US\$/MT) | (%) | (%Range) |
| Henan New Yichang Abrasives Co., Ltd. | *** | *** | *** | ***% | 30-40 |
| U and K Science & Tech Co., Ltd. | *** | *** | *** | ***% | 20-30 |
| Henan Youkai Grinding Abrasives Co., Ltd. | *** | *** | *** | ***% | 30-40 |
| Yongkang Silver Star Abrasive Material Grinding Tool Co., Ltd. | *** | *** | *** | ***% | 30-40 |
| Zhejiang Shuanghe Technology Co., Ltd. | *** | *** | *** | ***% | 40-50 |
| Sceptre Industrial & Trading Co., Ltd. | *** | *** | *** | ***% | 5-15 |
| Zhejiang White Horse Abrasives Co., Ltd. | *** | *** | *** | ***% | 20-30 |
| Langfang Shengsen Abrasives Co., Ltd. | *** | *** | *** | ***% | 10-20 |
| Zhengzhou Huifeng Abrasive Wheel Manufacturing Co., Ltd. | *** | *** | *** | ***% | 15-25 |
| All other producers/exporters from China PR | *** | *** | *** | ***% | 40-50 |

H. EXAMINATION OF INJURY AND CAUSAL LINK

H.1. Submissions by the other interested parties

74. The following submissions have been made by the other interested parties with regard

to injury and causal link:

- i. There is no increase in the import of the subject product, which has caused injury to the Indian industry. The domestic industry has not suffered any injury due to imports of products under consideration from China PR.
- ii. There is no causal link between dumped imports and alleged injury. The domestic industry has suffered injury on account of sharp increase in the interest cost.
- iii. The petitioners' economic performance is healthy. A search of the currently available data and information (such as the data and information from the public sources) will show that the domestic industry is developing positively.
- iv. The injury to the domestic industry, if any, in the current investigation is not due to the alleged imports but due to complete lock-down imposed by the Government of India in the quarter April 2020 to June 2020 in view of the Covid-19 situation, inter-se competition in the domestic market and decline in production due to decline in exports by 28% over the injury investigation period. The injury, if any, to the domestic industry is on account of other factors. Covid impacted period ought to be excluded while examining injury.
- v. For the manufacture of the PUC, the petitioners are heavily dependent on raw materials imported into India. As per the petition, the petitioners' costs have increased by over 13-14 indexed points over the injury period. The major raw material used in production of PUC (~85%) is imported from China PR which is one of the causes of the petitioners' injury and gives advantage to Chinese producers.
- vi. The petitioners have constructed their CNV and NIP in a hugely inflated manner by allocating high overheads to show high dumping and injury margins. Cutting wheels and grinding wheels are essentially abrasive raw material-based products. The major portion of the cost comprises raw materials like carborundum, white aluminium oxide, brown aluminium oxide silicon carbide etc.
- vii. Subject imports have declined in absolute and relative terms in the POI. The market share of China PR in imports has also declined from the base year and increased only by 0.07% in the POI. Imports from other countries have increased over the injury period.
- viii. The demand in the base year and the POI remains the same at 100 indexed points. The market share of the subject imports has remained at the same level in comparison to the increase in demand.
- ix. The CIF price of imports from the subject countries has increased in 2018-19. They are higher than the base year level throughout the injury period.
- x. During the injury investigation period, both the landed price of the subject imports and the petitioners' domestic selling price have shown an overall increasing trend, but

the landed price of the subject imports has increased with a higher margin. Even if the landed prices from China PR decreased, the petitioners' selling price remained at the same level. This means that there is no price suppression/depression caused by the subject imports.

- xi. There appears to be no injury to the petitioning companies in the POI. According to the Annual Report for 2020-21 of Grindwell Norton Ltd., the revenue from operations and profit in the year 2020-21 have increased compared with the year 2019-20.
- xii. The petitioners claim that increased importation suggests the threat of material injury is incorrect since the volume of subject imports decreased in the POI and the petitioners have not provided any post-POI data to justify any claims of threat of injury.
- xiii. The per unit cost of fixed overheads such as wages, depreciation, interest etc. and alike expenses have contributed to the increase in per unit total cost of the domestic industry and affected its profitability, cash flow and ROCE. There is no impact of the alleged imports from China on the profitability, cash flow and ROCE of the domestic industry.
- xiv. The volume of subject imports has decreased significantly in the POI from the previous year 2019-20. Increase in volume of the subject imports in relation to production shows that the petitioner's production has been unable to keep up with the increasing demand.
- xv. The petitioner compared its performance in the POI with the performance in the base year. The purpose of four years injury period for injury assessment is to consider the performance of the domestic industry for the entire period of four years. It would not be appropriate to compare the performance of the domestic industry between the base year and the POI and such analysis would also imply rendering information for the intervening period redundant and would not be an objective analysis. Reliance was placed on the Commission Regulations of European Commissions in:
 - a. COUNCIL REGULATION (EC) No 215/2002 of 28 January, 2002 imposing definitive anti-dumping duties on imports of ferro molybdenum originating in the People's Republic of China
 - b. COUNCIL REGULATION (EC) No 1995/2000 of 18 September, 2000 imposing a definitive anti-dumping duty and collecting definitively the provisional duties imposed on imports of solutions of urea and ammonium nitrate originating in Algeria, Belarus, Lithuania, Russia and Ukraine, and terminating the anti-dumping proceeding in respect of imports originating in the Slovak Republic.
- xvi. The injury is due to sharp and continuous increase in the cost and the production costs.
- xvii. The applicants by their own admission in their annual reports have accepted decline in demand owing to COVID-19 and severe decline in industrial activity as a factor

causing injury.

- xviii. The decline in market share of domestic industry up to 2019-20 is significant, and the same is due to some “other factors”. Either the loss is due to non-subject imports, or to other domestic producers. Either way, the subject imports cannot be blamed.
- xix. The profitability of the domestic industry has no relationship with the imports over the injury period. The cost of sales increased in 2018-19 by 13%, and the landed price of the imports increased by 15%. The selling price, however, increased only by 2%. The imports increased despite increase in landed price. However, the domestic industry suffered losses. There is no link between the import price, import volume, and selling price of the domestic industry.
- xx. It is equally relevant to note the low level of losses in 2018-19. Despite the increase in the landed value from base year in 2017-18 to the POI, the selling price has not increased proportionately. It is evident that the domestic industry has not increased the prices in competition to the subject imports. The movement of selling price has no relation with the movement of landed price of imports and hence, the imports are not causing any adverse price effect on the domestic industry.
- xxi. In 2019-20, despite increase in the cost by 1%, the domestic industry was able to increase its selling price and earn profits which was despite significant decline in landed price. Evidently, the domestic industry was able to increase its prices with import prices declining which also shows absence of causal link.
- xxii. Depreciation remained by and large stable, resultantly, trends in cash profits are very similar to trends in profits. Interest costs increased very steeply in 2018-19 and 2019-20. However, interest costs declined in POI, though remained much higher than the base year. The trends in return on investment are very similar to the trends in profits which shows absence of causal link between the subject imports and the ROI.
- xxiii. As per the annual report of the applicants for the year 2019-20 and 2020-21 which covers the POI, the other factors causing injury were:
 - a. Total lockdown due to COVID-19;
 - b. NBFC crisis;
 - c. Severe decline in industrial activity.

Post withdrawal

- xxiv. GNO has claimed a dumping margin of 50-60% and an injury margin of 40-50%. These dumping margins appear to be highly inflated. GNO is a huge multiproduct company engaged in the production of several products. The company’s SGA expenses must be verified by the Authority.
- xxv. The landed price of the subject imports is higher than the base year level throughout the injury period. The range of 0-10% is not significant. Therefore, there is no significant price undercutting.

- xxvi. Even though the petitioner's capacity utilization has declined, this decline is not reflective of injury concerning the PUC as the capacity covers both PUC and NPUC. Though production has declined in the POI, this decline is only marginal. Further, the same may clearly be attributed to the decline in the domestic demand of the PUC in the POI due to COVID-19 related lockdowns.
- xxvii. The respondents also submit that the petitioner's volume and per unit realization of its export sales has continuously and significantly increased over the injury period, except for the decline in 2018-19. In fact, in the POI, it is nearly 50% more than the base year export level. This strongly suggests that GNO has increased its focus on the export sales and accordingly reduced supplies for the domestic market.
- xxviii. The petitioner's average capital employed has increased continuously and significantly throughout the injury period. Such capital employed on whatever equipment or machinery they have invested in would naturally take certain time to achieve economies of scale. This is bound to cause a decline in its Return on Capital Employed.
- xxix. The decline in the petitioner's cash profits is directly being impacted by the increase in interest expenses. It is unclear why these interest costs and depreciation increased considering that the domestic industry's installed capacity has not witnessed any increase. This clearly establishes that rather than the subject imports that are necessary to meet the demand-supply gap in the country for the like product, it is these high interest expenses of GNO that is impacting its profitability.
- xxx. For the manufacture of the PUC, the petitioners are heavily dependent on raw materials imported into India. This is competitive advantage for Chinese producers who can readily access these raw materials through domestic sources.
- xxxi. The technology used by the Indian domestic producers is underdeveloped and the efficiency is low, which also cause higher cost as well as lower product quality. Such internal disadvantages make the petitioner less competitive in the Indian market, which in turn affects its economic performance.
- xxxii. Positive Price undercutting cannot be regarded as a factor of injury. In anti-dumping investigation of the Authority in the Final Findings in sunset review anti-dumping investigation concerning Imports of Gypsum Plaster Board dated 19th April 2018 (F. No. - 7/8/2017-DGAD) has taken the same view.
- xxxiii. The applicant industry could not answer the reasons for losses in 2018-19 and merely stated that the effect of cost should also be seen while examining the losses. There is no link between the import price, import volume and selling price of the domestic industry. Thus, clearly, comparison of cost, selling price and landed price also does not answer the situation of the domestic industry. The imports were also high during the said period. The movement of cost, selling price and landed value throughout the injury period also does not show any causal link.
- xxxiv. The applicant stated during the hearing that there is surprisingly no difference in the trends of the injury parameters. However, it is noted that there is stark difference in certain parameters

- xxxv. Article 3.5 of the WTO Anti-dumping Agreement mandates for a causal link between the alleged dumped imports and injury to the domestic industry. It requires for the examination of any known factors, other than the dumped imports, which are causing injury to the domestic industry and the injury caused by these other factors shall not be attributed to dumped imports. It may be seen that the injury to the domestic industry, if any, in the current investigation is not due to the alleged imports but due to complete lock-down imposed by the Government of India in the quarter April, 2020 to June, 2020 in view of the Covid-19 situation and the inter-se competition in the domestic market.
- xxxvi. Non-attribution analysis is required to be made in the anti-dumping investigations wherein the injury caused by other factors ought to be segregated and excluded from the injury attributed to alleged dumped imports.

H.2. Submissions of the domestic industry

75. The following submissions have been made by the domestic industry with regard to injury and causal link:
- i. The domestic industry submits that it has suffered material injury on account of dumped imports from China PR.
 - ii. The imports of the subject goods from China PR increased throughout the period of injury except marginal decline in the period of investigation (POI) due to the impact of Covid-19 Pandemic.
 - iii. The share of imports of the subject goods from China PR in the total imports is very high to the tune of 83.72% in the POI. The share of imports of the subject goods from China PR in the total imports increased during the POI as compared to 2018-19 and 2019-20 despite Covid-19 Pandemic, which clearly indicates that the imports of the subject goods from China PR have been able to capture a significant market share in the domestic market due to aggressive dumping by the exporters from China PR.
 - iv. The dumped imports into India also indicates the likelihood of substantially increased importation. Therefore, there is also a clear case of threat of material injury to the domestic industry.
 - v. The share of imports of the subject goods from China PR in the production has increased from ***% in the base year to ***% in the POI, which clearly shows the injurious impact of dumped imports on the domestic industry.
 - vi. The landed value from the subject country has declined significantly from Rs. 1,65,575 / MT (115 - Indexed) in the year 2018-19 to Rs. 1,56,745 (108 - Indexed) in the POI. Further, landed value has also declined in the POI as compared to 2019-20. On the contrary, the cost of the domestic industry has increased in the POI as compared to the base year. Despite increase in the cost of the domestic industry, the domestic industry was not able to increase its selling price during the POI commensurate with the increase in the cost on account of dumped imports. The domestic selling price of the domestic industry increased only from Rs. ***/ MT (100 - Indexed) in the base year to Rs. ***/ MT (104 - Indexed) in the POI, while during the same period the cost increased by 12%. Accordingly, it is amply clear that the

prices of the domestic industry have been declined and suppressed on account of dumped imports of the subject goods from China PR.

- vii. The imports are entering at very low and dumped prices from China PR. Such low value dumped imports have a significant depressing and suppressing effect on domestic prices of the domestic industry, and would likely increase the demand for further imports particularly under the present situation when the competition is very entrenched due to the adverse impact on the market of the Covid-19 Pandemic. Accordingly, along with the current material injury, threat of material injury is also imminent.
- viii. The capacity of the domestic industry remained constant during the entire period of injury while their capacity utilization has declined consistently during the entire period of injury, which clearly proves injurious impact of dumped imports from China PR.
- ix. The productivity per employee of the domestic industry declined during the POI as compared to the base year as well as 2019-20 on account of the low value dumped imports of the subject goods from China PR.
- x. The profitability of the domestic industry has been severely affected in the period of investigation due to intensified dumped imports of the subject goods from China PR. The domestic industry was not able to increase its selling price during the POI on account of dumped imports from China PR. The domestic selling price of the domestic industry increased only by 4% in the POI as compared to the base year while the cost increased by 12% during the same period. Despite significant increase in the cost of the domestic industry, the landed value of the subject goods increased only by 8% in the POI as compared to the base year. The landed value has declined significantly from Rs. 1,67,575 / MT (115 - Indexed) in the year 2018-19 to Rs. 1,56,745 (108 - Indexed) in the POI. Further, the landed value has also declined during the POI as compared to 2019-20. Accordingly, the profitability per unit of the domestic industry of Rs. ***/ MT (100 - Indexed) in the base year significantly declined to Rs. *** (48 - Indexed) in the POI. Since the domestic industry was not able to increase the domestic selling price on account of falling import prices, significant injury is imminent.
- xi. The low value dumped imports prices suppressed and depressed the domestic selling prices of the domestic industry, which would likely further increase its demand. Accordingly, there is also a threat of material injury to the domestic industry.
- xii. The return on capital employed (ROCE) of the domestic industry of ***% (100 - Indexed) in the base year significantly declined to ***% (38 Indexed) in the POI on account of dumped imports of the subject goods from China PR. Accordingly, it is clear that the domestic industry has suffered material injury on account of dumped imports of the subject goods from China PR.
- xiii. The price undercutting on the basis of the import data available from DGCI&S is positive and significant for China PR during the entire period of injury. The domestic industry in the present case has been clearly prevented from increasing its prices on account of low value dumped imports of the subject goods from China PR. Thus, price suppression in terms of the Anti-dumping Rules, is apparent. The domestic industry's sales realization is also less than the NIP. This also clearly indicates that the domestic prices realized are the suppressed prices and immediate protection of anti-dumping

duty is warranted to enable the domestic industry to increase their prices to the desired level.

- xiv. The price underselling on the basis of the available import data of China PR for the POI is not only positive but also significant.
- xv. The dumping margin from China PR is significantly positive, which is very high and indicative of the aggressive pricing of the subject goods.
- xvi. The cash flow position of the domestic industry has deteriorated in period of investigation as compared to the year base year as well as 2019-20.
- xvii. The future investment in the sector is also marred by the presence of dumped imports from China PR. The declined in capacity utilization, production, domestic sales, profitability, ROCE, cash flow, etc., clearly indicate that the ability of the domestic industry to raise capital investments for the sector is jeopardized by the dumped imports from the subject country.
- xviii. With regard to the claim made by the interested parties that the domestic industry has not suffered any injury due to imports of products under consideration from China PR, the domestic industry reiterates that it has suffered material injury on account of dumped imports from China PR. It may be noted that none of the interested parties claimed that they have not dumped PUC into India. Further, it may also be noted that the interested parties have also accepted during the oral hearing that the domestic industry suffered injury.
- xix. The allegation made by the interested parties that the petitioners' economic performance is healthy is wrong, misleading and hence, denied. The petitioners are multi-product companies. Therefore, any conclusion drawn based on the Annual Report (company as a whole) will lead to absurdity.
- xx. With regard to the exclusion of Covid impacted period, it is submitted that the domestic industry was operating continuously even during the lock-down except few days, which were used for the routine annual maintenance. There was no significant shut down due to Covid, which might have impacted the performance of the domestic industry adversely. Further, it is submitted that none of the interested parties has provided any data to substantiate their claim of the impact of COVID -19 on the injury of the domestic industry. Accordingly, the domestic industry requests the Authority not to remove April 2020 to June 2020 while examining the injury.
- xxi. Without prejudice to the above, it is further submitted that the impact of COVID is fully taken care of while computing NIP by adopting principles of Annexure III of AD Rules. The Authority has taken the same view in plethora of case. The details of some of these cases are provided below.
 - a) Clear Float Glass from Iran [F. No. 7/15/2021-DGTR dated 11.02.2022]
 - b) Caprolactam" originating in or exported from European Union, Korea RP, Russia and Thailand [F. No. 6/39/2020-DGTR dated 27.09.2021]
- xxii. As regard to the injury on account of export performance, it is submitted that the domestic industry has considered the data only for domestic operations for the purpose of injury analysis. Accordingly, the allegation raised by the interested parties holds no merit.
- xxiii. With regard to the allegation made by the interested parties that the applicant stated

during the hearing that there is surprisingly no difference in the trends of the injury parameters, it is submitted that the interested parties have twisted the statement made by the domestic industry. The domestic industry had mentioned in the hearing that there is no “material difference” between the injury information filed in the application and the updated information, and therefore, the trend or direction of injury is overwhelmingly the same. Accordingly, the allegation made by the interested parties is wrong.

- xxiv. The inventories with the domestic industry have declined in the period of investigation on account of the decline in the production.

H.3. Examination by the Authority

76. The submissions made by the domestic industry with regard to the injury and causal link related issues have been examined. The injury analysis made by the Authority hereunder ipso facto addresses the various submissions made by the interested parties.
77. Rule 11 of the Rules, read with Annexure II, provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “... taking into account all relevant facts, including the volume of dumped imports, their effect on price in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles...”. In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Anti-Dumping Rules.
78. Since M/s Carborundum Universal Limited has withdrawn as an applicant, the Authority has considered the verified information of M/s Grindwell Norton Limited only for the purpose of injury examination.
79. As regards the arguments based on the annual report, the Authority reiterates that the injury to the domestic industry has been determined by considering the performance of the domestic industry for the product under consideration and whereas the annual reports provide for performance of the domestic industry for its entire product range.
80. As regards the exclusion of Covid-19 period from injury analysis, it is noted that none of the interested parties have provided any data to substantiate their claim of the impact of Covid-19 on the injury to the domestic industry. Therefore, the Authority has decided not to remove April, 2020 to June, 2020 period while examining the injury. Without prejudice, it is also noted that the impact of Covid-19 is fully taken care of while computing the NIP by adopting the principles of Annexure III of AD Rules.

81. As regards the argument that the domestic industry is export oriented, it is noted that the exports of the domestic industry constitute *** % of the total sales of the product concerned which implies that the focus of the domestic industry is the Indian market. Further, the injury examination is undertaken considering the information related to the domestic operations.
82. The Authority has examined the injury parameters taking into account the facts and submissions made by the domestic industry as under:

H.3.1. Volume Effect of dumped imports on the domestic industry

a. Assessment of Demand/Apparent Consumption

83. The Authority has taken into consideration, for the purpose of the present investigation, demand or apparent consumption of the product in India as the sum of domestic sales of the Indian Producers and imports from all sources.

| Particulars | Unit | 2017-18 | 2018-19 | 2019-20 | POI |
|---|---------|---------|---------|---------|-------|
| Sales of Domestic Industry | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 101 | 101 | 92 |
| Sales of Other Indian Producers | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 107 | 109 | 102 |
| Subject Country – China | MT | 19508 | 21329 | 22424 | 19476 |
| Imports from other countries | MT | 3582 | 4230 | 4383 | 3788 |
| Total Demand in India | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 109 | 112 | 100 |
| Share of DI in demand | % | ***% | ***% | ***% | ***% |
| Trend | Indexed | 100 | 93 | 90 | 92 |
| Share of Import from China PR in demand | % | ***% | ***% | ***% | ***% |
| Trend | Indexed | 100 | 101 | 102 | 100 |

84. It is seen that the demand for subject goods has increased throughout the injury period except the POI due to the impact of Covid-19 Pandemic. It is clear from the above information that the exporters of the subject goods from China PR command a very high share in the Indian demand. They were able to maintain their share in the Indian demand during the POI almost at the level of the preceding years despite adverse impact on the market due to Covid-19 pandemic.

b. Import Volumes from the subject country

85. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of injury analysis, the Authority has relied on the transaction wise import data procured from

DGCI&S.

| Particulars | Units | 2017-18 | 2018-19 | 2019-20 | POI |
|--|---------|---------|---------|---------|-------|
| Subject Country – China PR | MT | 19508 | 21329 | 22424 | 19476 |
| Other Countries | MT | 3582 | 4230 | 4383 | 3788 |
| Total import volume | MT | 23090 | 25558 | 26807 | 23264 |
| Subject country Imports in relation to | | | | | |
| Production – Domestic Industry | % | ***% | ***% | ***% | ***% |
| Trend | Indexed | 100 | 117 | 113 | 106 |
| Consumption | % | ***% | ***% | ***% | ***% |
| Trend | Indexed | 100 | 101 | 102 | 100 |
| Total Imports | % | ***% | ***% | ***% | ***% |
| Trend | Indexed | 100 | 99 | 99 | 99 |

86. It is seen that:

- a. Imports from the subject country command a very high share in terms of total imports.
- b. Imports from the subject country in relation to total production and consumption are ***% and ***% respectively during the period of investigation.
- c. Imports from the subject country constitute 83.72% of the total imports in the country during the period of investigation.

H.3.2. Price Effect of the dumped imports on the domestic industry

87. With regard to the effect of the dumped imports on prices, it is required to be analysed whether there has been a significant price undercutting by the alleged dumped imports as compared to the price of the like products in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in the normal course. The impact on the prices of the domestic industry on account of the dumped imports from subject country has been examined with reference to price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis, the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with landed price of imports of the subject goods from the subject country.

a. Price Undercutting

88. In order to determine, whether the imports of the subject goods from the subject country are undercutting the prices of the domestic industry in the market, the price undercutting has been worked out by comparing the landed price of the imports from the subject country with the selling price of the domestic industry during the injury period. The price undercutting has been determined for the POI separately for each PCN produced by the domestic industry and thereafter for the product under consideration as a whole. Summarized position for the same is given in the table below

| Particulars | Unit | 2017-18 | 2018-19 | 2019-20 | POI |
|---------------------------------|---------|---------|---------|---------|--------|
| Landed price of subject imports | Rs./MT | 145722 | 167575 | 157190 | 156745 |
| Net sales realization | Rs./MT | *** | *** | *** | *** |
| Price undercutting | Rs./MT | *** | *** | *** | *** |
| Price undercutting | % | ***% | ***% | ***% | ***% |
| Price undercutting | % Range | 10%-20% | 0%-10% | 10%-20% | 0%-10% |

89. It is seen that the landed price of imports from the subject country is below the net sales realization of the domestic industry, thereby resulting in positive price undercutting.

b. Price Suppression and Depression

90. In order to determine whether the dumped imports are depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred in normal course, the changes in the costs and prices over the injury period were examined.

| Particulars | Unit | 2017-18 | 2018-19 | 2019-20 | POI |
|-------------------------|---------|---------|---------|---------|-----|
| Cost of Sales | Rs./MT | *** | *** | *** | *** |
| <i>Trend</i> | Indexed | 100 | 118 | 110 | 112 |
| Selling Price | Rs./MT | *** | *** | *** | *** |
| <i>Trend</i> | Indexed | 100 | 103 | 105 | 104 |
| Landed price of imports | Rs./MT | *** | *** | *** | *** |
| <i>Trend</i> | Indexed | 100 | 115 | 108 | 108 |

91. Comparison of the cost of production, selling price of the domestic industry and the landed price of imports shows that landed price of the subject imports is below the cost of production and selling price of the domestic industry during the period of investigation. Further, whereas the costs of the domestic industry increased during the period of investigation as compared to the immediately preceding year, instead of raising the selling prices in proportion with the increase the costs, the domestic industry was forced to reduce the selling price due to high volume of imports in the country at lower prices.

H.3.3. Economic Parameters of the domestic industry

92. Annexure II to the Rules provides that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. The various injury parameters relating to the domestic industry are discussed below.
93. The Authority has examined the injury parameters objectively taking into account various facts and arguments made by the interested parties in their submissions.

a. Production, capacity, capacity utilization and sales

94. The capacity, production, sales, and capacity utilization of the domestic industry over the injury period is given in the table below:

| Particulars | Unit | 2017-18 | 2018-19 | 2019-20 | POI |
|----------------------|---------|---------|---------|---------|------|
| Capacity | MT | *** | *** | *** | *** |
| <i>Trend</i> | Indexed | 100 | 100 | 100 | 100 |
| Total Production | MT | *** | *** | *** | *** |
| <i>Trend</i> | Indexed | 100 | 97 | 97 | 87 |
| PUC Production | MT | *** | *** | *** | *** |
| <i>Trend</i> | Indexed | 100 | 93 | 102 | 94 |
| Capacity Utilization | % | ***% | ***% | ***% | ***% |
| <i>Trend</i> | Indexed | 100 | 97 | 97 | 87 |
| Domestic Sales | MT | *** | *** | *** | *** |
| <i>Trend</i> | Indexed | 100 | 101 | 101 | 92 |

95. It is seen that:

- The capacity of the domestic industry remained constant throughout the period of investigation.
- The production and the domestic sales declined in the period of investigation.
- Capacity utilization declined significantly in the period of investigation.

b. Market Share

96. The market share of the domestic industry and the imports in the demand over the injury period are as follows:

| Particulars | Unit | 2017-18 | 2018-19 | 2019-20 | POI |
|----------------------------|---------|---------|---------|---------|------|
| Domestic Industry | % | ***% | ***% | ***% | ***% |
| <i>Trend</i> | Indexed | 100 | 93 | 90 | 93 |
| Subject Country – China PR | % | ***% | ***% | ***% | ***% |
| <i>Trend</i> | Indexed | 100 | 101 | 102 | 100 |
| Share of Other Countries | % | ***% | ***% | ***% | ***% |
| <i>Trend</i> | Indexed | 100 | 109 | 109 | 106 |

97. It is seen that the subject country commanded a very high market share throughout the injury period and in the period of investigation. The imports from the subject country account for ***% share in the Indian market.

c. Inventories

98. The inventory position with the domestic industry over the injury period is given in the table below:

| Particulars | Unit | 2017-18 | 2018-19 | 2019-20 | POI |
|--------------|---------|---------|---------|---------|-----|
| Stock | MT | *** | *** | *** | *** |
| <i>Trend</i> | Indexed | 100 | 68 | 71 | 57 |

99. The stock position declined significantly in the POI.

d. Profitability, Return on Investment and Cash Profits

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

| Particulars | Unit | 2017-18 | 2018-19 | 2019-20 | POI |
|----------------------------|----------|---------|---------|---------|------|
| Cost of Sales | Rs./MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 118 | 110 | 112 |
| Selling Price | Rs./MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 103 | 105 | 104 |
| Profit/Loss per unit | Rs./MT | *** | (***) | *** | *** |
| Trend | Indexed | 100 | (2) | 77 | 48 |
| Profit/Loss | Rs. Lacs | *** | (***) | *** | *** |
| Trend | Indexed | 100 | (2) | 78 | 45 |
| Cash Profit | Rs. Lacs | *** | *** | *** | *** |
| Trend | Indexed | 100 | 28 | 82 | 55 |
| Return on Capital Employed | % | ***% | (***)% | ***% | ***% |
| Trend | Indexed | 100 | (0.4) | 62 | 38 |

101. It is seen that:

- The cost of the domestic industry increased during the period of investigation as compared to the immediately preceding year while the selling price declined during the same period.
- The profitability of the domestic industry declined during period of investigation.
- The return on investments declined significantly during the period of investigation as compared to the immediately preceding year and base year.

e. Employment, wages and productivity

102. The employment, wages and productivity of the domestic industry over the injury period is given in the table below:

| Particulars | Unit | 2017-18 | 2018-19 | 2019-20 | POI |
|---------------------------|---------|---------|---------|---------|-----|
| Wages / Employee | Rs | *** | *** | *** | *** |
| Trend | Indexed | 100 | 90 | 105 | 106 |
| Employees | Nos | *** | *** | *** | *** |
| Trend | Indexed | 100 | 108 | 103 | 102 |
| Productivity per employee | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 86 | 99 | 92 |

103. It is seen that:

- The wages paid increased during the POI.
- The productivity per employee declined in the period of investigation.

f. Growth

104. The growth of the domestic industry in terms of production, sales, profitability, cash profits PBIT, ROI and inventories is as per table below:

| Particulars | Unit | 2017-18 | 2018-19 | 2019-20 | POI |
|----------------------------|------|---------|---------|---------|--------|
| Production - PUC | % | | (7) % | 10% | (8) % |
| Capacity Utilization | % | | (2) % | (0.2) % | (6) % |
| Domestic Sales | % | | 1% | 0.1% | (9) % |
| Profit/Loss - Domestic | % | | (102) % | 3793% | (42) % |
| Cash Profit | % | | (72) % | 198 % | (33) % |
| Return on Capital Employed | % | | (18) % | 11% | (4) % |

105. It is seen that the growth is negative in the period of investigation in almost all volume and price parameters. The production, sales, profitability, cash profits and ROCE have all shown a negative growth in the period of investigation.

g. Magnitude of Dumping Margin

106. It is noted that the subject goods are being dumped into India and the dumping margin is positive and significant.

h. Ability to raise capital investment

107. There is negative growth in the period of investigation in almost all volume and price parameters, i.e., production, sales, profitability, cash profits and ROCE etc.

i. Factors affecting domestic prices

108. The landed value of the subject goods from the subject country is below the cost and selling price of the domestic industry.

H.4. OVERALL ASSESSMENT OF INJURY

109. The examination of imports of the product under consideration and the performance of the domestic industry clearly shows that the dumped imports from the subject country are being imported into India in significant quantities in both absolute and relative terms. The imports are undercutting the prices of the domestic industry. The import prices are also suppressing and depressing the prices of the domestic industry. The production, sales, capacity utilization of the domestic industry has declined in the period of investigation. Profitability, cash profits, PBIT and ROCE has declined in the period of investigation. Growth is negative in almost all volume and price parameters in the period of investigation. In view of the foregoing, the Authority, thus, concludes that the domestic industry has suffered material injury as well as there is a threat of material injury.

I. MAGNITUDE OF INJURY MARGIN

110. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The NIP of the PUC has been determined by adopting the verified information/data relating to the cost of production for the POI. The NIP has been considered for comparing the landed price from the subject country for calculating injury margin. For determining the NIP, the best utilisation of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilisation of production capacity over the injury period has been considered. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) for the PUC was allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules and being followed.
111. The landed value has been computed and compared with NIP at PCN level so as to obtain the injury margin at PCN level and later collapsed at the weighted average level. Based on the landed price and the non-injurious price determined as above, the injury margin for producers/exporters has been determined by the Authority and the same is provided in the table below: -

| Producer | NIP | Landed Value | Injury Margin | Injury Margin | Injury Margin |
|--|---------|--------------|---------------|---------------|---------------|
| | US\$/MT | (US\$/MT) | (US\$/MT) | (%) | (Range) |
| Henan New Yichang Abrasives Co., Ltd. | *** | *** | *** | ***% | 5-15 |
| U and K Science & Tech Co., Ltd. | *** | *** | *** | ***% | 10-20 |
| Henan Youkai Grinding Abrasives Co., Ltd. | *** | *** | *** | ***% | 10-20 |
| Yongkang Silver Star Abrasive Material Grinding Tool Co., Ltd. | *** | *** | *** | ***% | 20-30 |
| Zhejiang Shuanghe Technology Co., Ltd. | *** | *** | *** | ***% | 20-30 |
| Sceptre Industrial & Trading Co., Ltd. | *** | *** | (***) | (***)% | <0 |
| Zhejiang White Horse Abrasives Co., Ltd. | *** | *** | *** | ***% | 5-15 |

| | | | | | |
|---|-----|-----|-----|------|-------|
| Langfang Shengsen Abrasives Co., Ltd. | *** | *** | *** | ***% | 0-10 |
| Zhengzhou Huifeng Abrasive Wheel Manufacturing Co., Ltd. | *** | *** | *** | ***% | 40-50 |
| All other producers/exporters from China PR | *** | *** | *** | ***% | 50-60 |

J. CAUSAL LINK AND NON-ATTRIBUTION ANALYSIS

112. The Authority examined any known factors other than the dumped imports which at the same time might have been injuring the domestic industry so that the injury caused by these other factors, if any, is not attributed to the dumped imports.

a. Volume and prices of imports from third countries

113. The imports from other countries are either at higher prices or at negligible levels.

b. Contraction of demand and changes in the pattern of consumption

114. The demand of the product under consideration has increased over the injury period with a decline in the POI. As the demand for the product declined, there was a decline in the import price.

c. Trade restrictive practices of and competition between the foreign and domestic producers

115. There is no known trade restrictive practice.

d. Conditions of competition and trade restrictive practices

116. The Authority notes that the investigation has not shown that conditions of competition or trade restrictive practices has been changed or applied.

e. Developments in technology

117. None of the interested parties has furnished any evidence to demonstrate any change in the technology.

f. Export performance

118. The injury information has been considered separately for domestic and exports, to the extent the same could be segregated.

g. Performance of other products

119. The Authority has considered data only in relation to the product under consideration.

CAUSAL LINK

120. While other known factors listed under the Rules have not caused injury to the domestic industry, the Authority notes that the following parameters show that injury to the domestic industry is caused by the dumped imports.
- i. There is significant dumping of the subject goods in India.
 - ii. Owing to the availability of cheap imports, dumped imports were imported into India in very significant quantities both in absolute as well as relative terms during the period of investigation.
 - iii. The dumped imports have captured a very high market share in the India market.
 - iv. As a result, the production, sales and capacity utilisation of the domestic industry declined in the period of investigation.
 - v. The imports are undercutting the prices of domestic industry and are priced below the cost and selling price of the domestic industry. The imports have suppressed and depressed the prices of the domestic industry.
121. Consequently, the profits, cash profits and return on capital employed of the domestic industry declined.

K. PUBLIC INTEREST

122. The Authority further notes that the effect of anti-dumping duties measures on the public interest is commonly studied from the perspective of the producers and consumers. It is noted that the imposition of the anti-dumping duties on the imports of the subject goods would be in the interest of domestic producers of the subject goods in India. The measures would prevent further injury to the domestic industry and give them time to compete against the exporters from the subject country. The Authority has also analysed the effect of imposition of anti-dumping duties from the consumer's point of view and observed that it would be in the interest of domestic consumers of the subject goods to have reliable Indian domestic producers capable of competing with foreign producers. This is possible when the domestic producers are able to recover from the injury suffered due to the imports. If the current situation is allowed to continue, the Indian domestic producer would face further injury giving foreign producers increased leverage as against domestic producers. Further, if the domestic industry is allowed to suffer, it will eventually be wiped out and the consumers will be again left at the mercy of the imported goods.
123. The Authority has analysed the impact of imposition of anti-dumping duties on public at large. It is noted that the product under consideration is a very low value product, which is used in industrial and construction segments for cutting, grinding and polishing. Its

cost accounts for a minuscule share in the total cost of the project. And, therefore, the end consumer of the subject goods will not face any significant increase in prices if the anti-dumping duty is imposed.

L. POST-DISCLOSURE COMMENTS

124. The post disclosure submissions have been received from the interested parties and the domestic industry, and it is noted that most of the issues raised are reiterations and have already been raised earlier and also addressed appropriately. Additional submissions have been analysed as under.

L.1. Submissions by the other interested parties

125. M/s. Zhengzhou Huifeng Abrasive Wheel Manufacturing Co., Ltd. have extended price undertaking in terms of Rule 15 of the Rules. Price undertaking is in the public interest.
126. The Authority has rejected responses of various producers, which is in accordance with the law. The respondents collected information from market intelligence and found that the export price in respect of exports made by these exporters were materially lower than the export price of the respondents.
127. Henan Xicheng has selectively participated in the investigation, they have participated with Goodwill Tools Shanghai but not did not participate with U and K group which casts doubt on the reliability of their data. The plausible explanation for such selective participation could be that exports made by U and K, procured from Henan Xicheng were at a materially lower price than the exports made by U and K from its self-production.
128. Questionnaire response filed by Henan New Yichang Abrasives Co., Ltd. should be rejected for the reason that the export price of this company is far lower than the export price of Zhengzhou Huifeng Abrasive Wheel Manufacturing and therefore the dumping margin and injury margin determined by the Authority Henan New Yichang (assuming the margins for Henan Xicheng was for Henan New Yichang) cannot be correct when compared with the dumping margin and injury margin for Zhengzhou Huifeng Abrasive Wheel Manufacturing. The data filed by the company should be cross verified with the DG System data.
129. Goods exported by Linyi Dapeng Hardware and Abrasives Products Co., Ltd. is far lower than the export price of Zhengzhou Huifeng Abrasive Wheel Manufacturing and therefore the dumping margin and injury margin cannot be so low when compared with the dumping margin and injury margin for Zhengzhou Huifeng Abrasive Wheel Manufacturing. The data filed by the company should be cross verified with the DG System data.
130. Authority has rejected the responses filed by (1) Henan Xicheng Abrasives Co., Ltd. (2) Xuchang Kaijie Abrasive Co., Ltd. and (3) Dacheng Abrasive Tools Co., Ltd. on the

ground that there is substantial difference in the quantum as well as price of exports reported by the exporter of these producers, i.e., Goodwill Tools (Shanghai) Co., Ltd. and the DG Systems data available with the Authority. The fact could not have been different in respect of exports made by the exporter in respect of goods produced by the Linyi Dapeng Hardware and Abrasives Products Co., Ltd.

131. U and K Science & Tech Co., Ltd. has acted both as a producer-exporter and trader-exporter. The company has however filed questionnaire response only as a producer-exporter. This is a suppression of fact. The responding exporter has an obligation to bring forward the producer whose goods are being exported. Response from other producers is necessary in a situation where the producer has acted both as a trader and producer.
132. While examining decline in demand as a factor of injury, the Authority has noted that the import price have declined in the POI when the imports have remained almost at same level. But it is the selling price that has declined.
133. The reason for discrepancies with regard to exports to India as reported by the producers/exporters in their respective appendices as compared to information available from the DG System are due to the difference in the unit of measurement.
134. The DG System data used to compute import in Kg's is highly unreliable and should not be adopted to reject the questionnaire responses submitted by the said producers/exporters.
135. The difference in the numbers reported in the confidential disclosure and the claims of the company is huge. The Authority has reduced both ex-factory export price as well as the landed value by significant number but has failed to provide any reasoning or basis for such reduction, even in the confidential disclosure.
136. After withdrawal of application by CUMI, it is clear that the petitioner is admittedly the major producer of the product under consideration in India. There is a high likelihood that it would dominate the market and would create barriers for market entry, which is harmful to the competitive environment and healthy development of the industry in India.
137. In the determination of the NIP, the Authority is giving undue protection to the domestic industry by applying 22% Return on Capital Employed which was designed in 1987. Adoption of 22% profit margin based on some hypothetical considerations is totally illogical and cannot be termed as reasonable.
138. It appears that the Authority has inadvertently substituted the names of Henan Xicheng Abrasives Co., Ltd. instead of Henan New Yichang Abrasives Co., Ltd. It was requested to consider the correct name i.e. Henan New Yichang Abrasives Co., Ltd. in the dumping margin table and injury margin table while issuing the final findings.
139. The Authority's assessment is silent regarding the frequency and purpose of imports by GNO. Further, no reason has been given by GNO also for its imports of the PUC.
140. Chinese producers/exporters have tried their best to fully cooperate in this investigation by submitting all the necessary data available to them. As unrelated companies, the

producers/exporters did not know the internal arrangement in importer groups.

141. Traders in the importer groups should not be regarded as unrelated exporters but should be regarded as a part of the importer, i.e., such traders and their related Indian importers should be regarded as one entity. Under this circumstance, the value chain of exports reported by the producers/exporters is complete.
142. There appears to be certain discrepancies with the landed value determined by the Authority for Shuanghe and Silver Star. The Authority is requested to re-examine the same.
143. The Authority is requested to follow the practice in the anti-dumping investigation on HFC R-32 where it excluded interest expenses for determining profitability.
144. Due to some confusion to the producer Yongtai, it has provided only the details of its exports to India through the exporter Daguang and the details of its direct exports to India are not given. The producer Yongtai has now provided the details of its direct exports to India in its Appendix 3A along with the details of supporting documents of all the sales invoices. In view of the above, the individual determination of export price and dumping margin for the producer Yongtai may please be made in the current investigation as they have provided the complete information on record.
145. The action of the Authority is against the principle of natural justice. The Authority did not inform about the DG system data mismatch during the course of verification. The Authority must have given an opportunity to defend the producers/exporters before rejecting the data.
146. In the determination of the NIP, the Authority is giving undue protection to the domestic industry by applying 22% Return on Capital Employed which was designed in 1987.

L.2. Submissions by the domestic industry

147. The domestic industry had expressed its apprehension vide multiples letters/emails filed to the Authority that the producers / exporters may have mis declared the particulars of their exports with an objective to get the negative or lower anti-dumping duties.
148. It is clear from the disclosure statement that the questionnaire response of seven (7) producers were rejected since the value chain of exports declared by the producer for the period of investigation does not correlate with the DG Systems data. Thus, the apprehension of the domestic industry that the producers / exporters have mis declared the particulars of their exports with an objective to get the negative or lower anti-dumping duties stands vindicated. The Authority has rightly rejected the response of such producers as any deliberate attempt to mislead the Authority in any trade remedial measure investigation has to be strictly dealt with.
149. The details of the exports made by Sceptre of the PUC during the POI based on our market intelligence as well as calculation of its injury margin submitted by the DI to the

Authority makes amply clear that Sceptre has also resorted to misdeclaration of the particulars of their exports with an objective to get NIL duty. Thus, the Authority is requested to reject its response and recommend residual duty on it.

150. The following producers exported sample or non-commercial quantities to India during the POI.

| Sl. No | Producer | Share in total exports to India from China PR (%) |
|---------------|--|--|
| 1 | Langfang Shengsen Abrasives Co., Ltd. | 4% |
| 2 | Henan Xicheng Abrasives Co., Ltd. | 1% |
| 3 | Linyi Dapeng Hardware & Abrasive Products Co., Ltd. | 2% |
| 4 | Henan Youkai Grinding Abrasives Co., Ltd. | 2% |
| 5 | Yongkang Silver Star Abrasive Material Grinding Tool Co., Ltd. | 1% |
| 6 | Zhejiang Shuanghe Technology Co., Ltd. | 4% |

151. Further, as per the understanding of the domestic industry, even the sample or non-commercial quantities of the PUC claimed to be exported to India during the POI by the above-mentioned producers were mis declared to get negative or lower anti-dumping duties, i.e., NPUC has been shown as PUC or high value PCNs shown as low value PCNs or lower weight (Grams per Piece) has been considered to convert PCS into MT resulting in lower weight in MT.
152. The export price of the miniscale / sample or non-commercial exports claimed by the above-mentioned participating producers / exporters is significantly higher than the export price of the other participating producers / exporters exporting commercial quantities, which clearly prove that these quantities are either samples / non-commercial quantities or mis declared. Accordingly, the DI requests the Authority not to consider the sample / non-commercial exports made by the participating producers / exporters for the grant of individual dumping and injury margin.
153. Attention is invited to the observation made in para no. 40 of the disclosure statement that withdrawal by CUMI towards the conclusion of the investigation and without proving any coherent reasoning for the same is unprincipled at the part of the applicant. In this context, it is submitted that the above observation is uncalled for as CUMI had vide letter dated 04 May, 2022 filed detailed business reasons which compelled them to withdraw as an applicant. It may be noted that CUMI requested in no uncertain terms that they should be considered as a supporter of the application. This clearly shows that CUMI had conducted itself in the most respectful and principled manner.
154. CUMI has withdrawn prior to the issuance of the disclosure statement. The domestic industry has requested the Authority not to conduct second oral hearing vide various communication as the interested parties have full opportunity to offer their comments on the investigation. The proposal of the domestic industry is in line with the recent practice

followed by the Authority. It may be noted that in the anti-dumping investigation against imports of 'Plain Medium Density Fibre Board having thickness less than 6mm' from Vietnam, Malaysia, Thailand and Indonesia (Final Findings dated 20 April, 2021), one of the co-applicants [Century Plyboards (India) Limited] withdrawn its participation as constituent of domestic industry after the issuance of the disclosure statement and no opportunity was provided to the interested parties to even comment on its impact on the investigation.

155. The request made by the interested parties to impose reference price-based duty on the ground of undervaluation by some unscrupulous traders is completely illogical, without understanding of the facts and hence, should not be accepted. In order to support DI's submission in this context, attention of the Authority is invited to the following facts:
- a) Anti-dumping duty is calculated based on the actual price information of a particular producer / exporter. A producer / exporter who has undervalued the subject goods would be subject to the highest duty. Accordingly, there is no need to impose reference price-based duty.
 - b) Reference price-based duty suffers from the possibility of abuse where the unscrupulous exporters/importers may artificially increase their prices to avoid the anti-dumping duties but resell in the Indian market at lower prices.
 - c) Most importantly, it may be noted that major raw materials are liable to significant price fluctuations in upward direction. Accordingly, the domestic industry apprehends that the import prices may rise mainly on account of the increase in the raw material cost. In such a case, the domestic industry may not be effectively protected.
 - d) Further, it is also submitted that the PUC involves many grades or types with different prices and costs. Under such circumstances, reference price-based duty may not effectively protect the domestic industry and make the entire process redundant.
156. Without prejudice to the above, it is submitted that there is no consensus between the interested parties on the form of duty since only one consulting group out of the four has requested for imposition of the reference form of duty.

L.3. Examination by the Authority

157. The Authority notes the submission made by the interested parties on granting of 22% ROCE. It is noted that the return on capital employed to be allowed has been calculated as per Annexure III of the Rules and as per the consistent practice of the Authority.
158. With regard to the request for price undertaking, it is noted that the request was made at the very last minutes. Further, the request was not in the proper format and information required to consider the request of accepting price undertaking was not provided. Accordingly, the request for the price undertaking cannot be accepted.
159. The Authority notes the submissions made by the interested parties regarding rejection of the responses of certain exporters. It is observed that the value chain of exports and exports details declared by the producer for the period of investigation is not correlating

with the DG Systems data available with the Authority and was found to be incomplete.

160. The Authority notes the submission made by Henan New Yichang Abrasives Co., Ltd. regarding typographical error in margins tables. It is noted that the same has been rectified.
161. As regards the submissions made by the domestic industry on rejection of the response of Sceptre Industrial & Trading Co., Ltd, it is noted that the Authority has examined the data and found it in order.
162. The Authority notes the submissions made by the domestic industry regarding not considering the sample / non-commercial exports made by some of the participating producers / exporters for the grant of individual dumping and injury margin to them. It is noted that the volume and price data of these producers / exporters was found to be in order and matching with the DG Systems data.
163. On the issue that the difference in the numbers reported in the confidential disclosure and the claims of the company is huge and the Authority has failed to provide any reasoning or basis for such reduction, even in the confidential disclosure, it is pointed out that the Authority has informed that it has relied upon the DG Systems data.
164. On the issue that the Authority did not inform about the DG Systems data mismatch during the course of verification and thus the action of the Authority is against the principle of natural justice, it is pointed out that the Authority can always compare the data submitted by the interested parties with the DG Systems data to check the reliability of the interested parties data.

M. CONCLUSION

165. After examining the issues raised and submissions made by the interested parties and facts made available before the Authority as recorded in the present findings, the Authority concludes that:
 - i. The examination of imports of the product under consideration and the performance of the domestic industry clearly shows that the dumped imports from the subject country are being imported into India in significant quantities in both absolute and relative terms.
 - ii. The imports are undercutting the prices of the domestic industry.
 - iii. The import prices are also suppressing and depressing the prices of the domestic industry.
 - iv. The production, sales, capacity utilization of the domestic industry has declined in the period of investigation.
 - v. Profitability, cash profits, PBIT and ROCE has declined in the period of investigation. Growth is negative in almost all volume and price parameters in the period of investigation.
 - vi. In view of the foregoing, the Authority concludes that the domestic industry has

suffered material injury.

- vii. It would also be in the interest of domestic consumers of the subject goods to have reliable Indian domestic producers capable of competing with foreign producers. This is possible when the domestic producers are able to recover from the injury suffered due to the imports. If the current situation is allowed to continue, the Indian domestic producer would face further injury giving foreign producers increased leverage as against domestic producers. Further, if the domestic industry is allowed to suffer, the consumers will be left at the mercy of the imported goods.
- viii. The analysis of the impact of imposition of anti-dumping duties on public at large shows that the product under consideration is a very low value product and, therefore, the end consumer of the subject goods will not face any significant increase in prices if the anti-dumping duty is imposed.

N. RECOMMENDATIONS

- 166. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, Embassy of the subject country, exporters, importers and the other interested parties to provide positive information on the aspect of dumping, injury and causal link. Having initiated and conducted the investigation into dumping, injury and causal link in terms of the provisions laid down under the Rules, the Authority is of the view that imposition of anti-dumping duty is required to offset dumping and the consequent injury. Therefore, the Authority considers it necessary to recommend imposition of the definitive antidumping duty on the imports of the subject goods from the subject country in the form and manner described hereunder for a period of 5 years.
- 167. In terms of the provision contained in Rule 4(d) & Rule 17(1) (b) of the Rules, the Authority recommends imposition of the anti-dumping duty equal to the lesser of margin of dumping and the margin of injury so as to remove the injury to the domestic industry. Accordingly, definitive anti-dumping duty equal to the amount mentioned in Column 7 of the Duty Table below is recommended to be imposed for five (5) years from the date of the Notification to be issued by the Central Government, on imports of the subject goods described at Column 3 of the Duty Table, originating in or exported from China PR.

Duty – Table

| S.N. | Heading / Subheading | Description of Goods | Country of Origin | Country of Export | Producer | Amount | UoM | Currency |
|------|----------------------|---------------------------|---------------------------------------|--------------------------------|--|--------|-----|----------|
| 1. | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1. | 68** | Resin Bonded Thin Wheels* | China PR | Any country including China PR | Henan New Yichang Abrasives Co., Ltd. | 238.04 | MT | US\$ |
| 2. | -do- | -do- | China PR | Any country including China PR | U and K Science & Tech Co., Ltd. | 282.78 | MT | US\$ |
| 3. | -do- | -do- | China PR | Any country including China PR | Henan Youkai Grinding Abrasives Co., Ltd. | 282.78 | MT | US\$ |
| 4. | -do- | -do- | China PR | Any country including China PR | Yongkang Silver Star Abrasive Material Grinding Tool Co., Ltd. | 526.87 | MT | US\$ |
| 5. | -do- | -do- | China PR | Any country including China PR | Zhejiang Shuanghe Technology Co., Ltd. | 526.87 | MT | US\$ |
| 6. | -do- | -do- | China PR | Any country including China PR | Sceptre Industrial & Trading Co., Ltd. | Nil | MT | US\$ |
| 7. | -do- | -do- | China PR | Any country including China PR | Zhejiang White Horse Abrasives Co., Ltd. | 236.6 | MT | US\$ |
| 8. | -do- | -do- | China PR | Any country including China PR | Langfang Shengsen Abrasives Co., Ltd. | 78.38 | MT | US\$ |
| 9. | -do- | -do- | China PR | Any country including China PR | Zhengzhou Huifeng Abrasive Wheel Manufacturing Co., Ltd. | 361.13 | MT | US\$ |
| 10. | -do- | -do- | China PR | Any country including China PR | Any other than S.N.1 to 9 | 690.12 | MT | US\$ |
| 11. | -do- | -do- | Any other country other than China PR | China PR | Any | 690.12 | MT | US\$ |

****Note 1:** The customs classification is indicative only and in no way binding on the scope of the present investigation.

***Note 2:** Resin Bonded Thin Wheels of the following types are included:

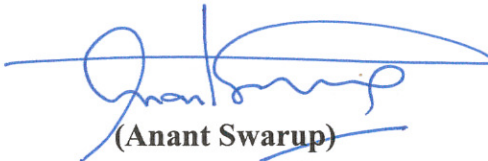
- a) Cutting Wheels of 300 MM to 310 MM diameter, commonly referred to as 12 inch diameter.
- b) Cutting Wheels of 345 MM to 356 MM diameter, commonly referred to as 14 inch diameter.
- c) Ultra Thin Wheels of 100 MM to 110 MM diameter, commonly referred to as 4 inch diameter.
- d) Ultra Thin Wheels of 120 MM to 127 MM diameter, commonly referred to as 5 inch diameter.
- e) Grinding Wheels of 100 MM to 107 MM diameter, commonly referred to as 4 inch diameter
- f) Grinding wheels of 178 MM to 180 MM diameter, commonly referred to as 7 inch diameter.

Note 3:

- a) Cutting/Grinding Wheels made of raw material other than resin bonded abrasives are not covered under the scope of the subject goods.
- b) Ultra Thin Wheels cover cutting wheels of thickness up to 1.6 mm with tolerance of +/- 0.15mm.

O. FURTHER PROCEDURE

- 168. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 3A, 8B, 9 and 9A of the said Act.
- 169. An appeal against the order of the Central Government arising out of this final finding shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act, 1975.



(Anant Swarup)

Designated Authority