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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, 5 Parliament Street, New Delhi – 110001**

Dated: 7th June, 2021

INITIATION NOTIFICATION

Case No. AD-OI-09/2021

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

1. M/s Grindwell Norton Limited and M/s Carborundum Universal Limited (hereinafter also referred to as the “Applicants”) have filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) on behalf of the domestic industry, in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also 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, 1995, as amended from time to time (hereinafter also referred to as the “Rules”) for seeking initiation of an anti-dumping investigation concerning imports of “Resin Bonded Thin Wheels”, (hereinafter referred to as “product under consideration” or “PUC” or “subject goods”), originating in or exported from China PR (hereinafter also referred to as the “subject country”).
2. The Applicants have alleged that material injury to the Domestic Industry is being caused due to dumped imports of the subject goods originating in or exported from the subject country and have requested for imposition of anti- dumping duty on the imports of the subject goods originating in or exported from the subject country.

A. Product under Consideration

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 snagging 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.

B. Like Article

5. The Applicants have claimed that the subject goods, which are being dumped into India from the subject country, are identical to the goods produced by the domestic industry. There are no differences either in the technical specifications, quality, functions or end-uses of the dumped imports and the domestically produced subject goods. The two are technically and commercially substitutable and hence should be treated as ‘like article’ under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the Applicants in India are being treated as ‘Like Article’ to the subject goods being imported from the subject country.

C. Product Control Number (PCN)

6. The Applicants have proposed PCN Methodology, as given in the table below, for the purpose of the investigation, considering the difference in terms of cost, price, usage etc.:

Sl. No	PCN / Product Type
1	Cutting Wheels of 300 MM to 356 MM diameter, commonly referred to as 12” to 14” inch diameter respectively
2	Ultra-Thin Wheels of 100 MM to 127 MM diameter, commonly referred to as 4” to 5” inch diameter respectively
3	Grinding Wheels of 100 MM to 107 MM diameter, commonly referred to as 4” inch diameter
4	Grinding Wheels of 178 MM to 180 MM diameter, commonly referred to as 7” inch diameter

7. The interested parties may make their submissions with regard to appropriateness or otherwise of the proposed PCN system as per the timelines mentioned in Para 24 of this Notification.

D. Domestic Industry & Standing

8. The application has been filed by M/s Grindwell Norton Limited and M/s Carborundum Universal Limited. The Applicants have claimed that they are not related to any importer of the subject goods in India within the meaning of Rule 2(b) of the Anti-dumping Rules.

M/s Carborundum Universal Limited has stated that they are related to an exporter in the subject country. However, it has claimed that it has imported only a special grade from its related company, which had not been manufactured by the company during that period.

9. As per the information provided by the Applicants, both the Applicants have imported the subject goods from the subject country. However, the Applicants have submitted that the volume of imports made by them is negligible as compared to total imports and demand in the country.
10. Considering the information on record and noting that the volume of imports made by the Applicants is negligible as compared to total imports and demand in the country, the Authority determines that the Applicants account for major proportion of the Indian production. In view of the above and after due examination, the Authority notes that the Applicants constitute eligible domestic industry in terms of the provisions contained in Rule 2(b) and the application satisfies the criteria in terms of Rule 5(3) of the Rules supra.

E. Basis of Alleged Dumping

a. Normal Value

11. The Applicants have claimed that China PR should be treated as a non-market economy and the normal value should be determined in terms of Rule-7 of Annexure I of the Rules. The Applicants have cited Para 8(2) of Annexure I of the Rules and have stated that the Chinese producers should be directed to demonstrate that market economy conditions prevail in the industry producing the subject goods in terms Para 8(3) of Annexure I of the Rules. The Applicants have claimed that for China PR, normal value should be determined in accordance with para 7 and 8 of Annexure I of the Rules. The prices or constructed value of the product under consideration in the appropriate market economy third country or the prices from such third country to other countries, including India, have neither been made available by the Applicants nor is this information available with the Authority from any public source. In view of the same, normal value has been determined on the basis of price paid or payable in India, considering cost of production in India after addition for selling, general & administrative expenses and reasonable profits.

b. Export Price

12. The Applicants have determined export price for the subject country based on Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Price adjustments have been made on account of ocean freight, commission, inland freight expenses, port expenses, bank charges, credit cost and marine insurance.

c. Dumping Margin

13. The normal value and the export price have been compared at ex-factory level, which prima facie shows significant dumping margin above the de minimis in respect of the

subject goods from the subject country. There is sufficient prima facie evidence that the subject goods are being exported to India at price below normal value, resulting in dumping of the subject goods from the subject country.

F. Injury and Causal Link

14. Information furnished by the Applicants have been considered for assessment of injury to the domestic industry. The Applicants have furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of significant volume of dumped imports in absolute terms and in relation to total imports and consumption in India, price undercutting, price suppressing and price underselling effect on the domestic industry. The Applicants have claimed that its performance of the domestic industry has been adversely impacted during the POI leading to decline in capacity utilization, production, domestic sales, profitability, ROCE, cash flow etc. There is prima facie evidence of injury being caused to the domestic industry by dumped imports of the subject goods from the subject country.

G. Initiation of Anti-Dumping Investigation

15. On the basis of the duly substantiated written application by and on behalf of the domestic industry, and having satisfied itself on the basis of the prima facie evidence submitted by the domestic industry about dumping of the product under consideration originating in or exported from the subject country, injury to the domestic industry and causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the Rules, the Authority, hereby, initiates investigation to determine the existence, degree and effect of alleged dumping in respect of the product under consideration originating in and exported from the subject country and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

H. Subject Country

16. The subject country for the present investigation is China PR.

I. Period of Investigation (POI)

17. The period of investigation for the purpose of the present investigations is January, 2020 to December, 2020 (12 months). The injury investigation period shall cover the periods 2017-18, 2018-19, 2019-20 and the period of investigation.

J. Procedure

18. Principles as given in Rule 6 of the Rules will be followed for the present investigation.

K. Submission of Information

19. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at email addresses adg15-dgtr@gov.in, adv13dgtr@gov.in, jd13-dgtr@gov.in and dd17-dgtr@gov.in. It should be ensured that the narrative part of the submission is in searchable PDF/MS Word format and data files are in MS Excel format.
20. The known producers and/or exporters in the subject country, Government of the subject country through its Embassies in India, the importers and users in India known to be concerned with the subject goods and the domestic industry are being informed separately to enable them to file all the relevant information in the form and manner prescribed within the time-limit set out below.
21. Any other interested party may also make its submissions relevant to the investigation in the form and manner prescribed within the time-limit set out below.
22. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.
23. Interested parties are further advised to keep a regular watch on the official website of the Authority <https://www.dgtr.gov.in/> for any updated information with respect to this investigation.

L. Time Limit

24. Any information relating to the present investigation should be sent to the Authority via email at the email addresses adg15-dgtr@gov.in, adv13-dgtr@gov.in, jd13-dgtr@gov.in and dd17dgtr@gov.in within thirty days from the date of receipt of the notice as per Rule 6(4) of the Anti-Dumping Rules. If no information is received within the prescribed time-limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the Rules.
25. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time-limit.

M. Submission of information on confidential basis

26. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same in terms of Rule 7(2) of the Rules and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response / submissions.

27. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.
28. The “confidential” or “non-confidential” submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority, and the Authority shall be at liberty to allow the other interested parties to inspect such submissions.
29. The confidential version shall contain all information which is by nature confidential and/or other information which the supplier of such information claims as confidential. For information which are claimed to be confidential by nature or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
30. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (in case indexation is not feasible) and summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.
31. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
32. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority.
33. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

N. Inspection of Public File

34. In terms of Rule 6(7) of the Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. The modality of maintaining public file in electronic mode is being worked out.

O. Non-cooperation

35. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.



Joint Secretary & Designated Authority