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**F. No. 6/27/2020-DGTR  
GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF COMMERCE  
(DIRECTORATE GENERAL OF TRADE REMEDIES)  
JEEVAN TARA BUILDING, 4TH FLOOR  
5, PARLIAMENT STREET, NEW DELHI-110001**

**Dated: 7<sup>th</sup> September, 2021**

**FINAL FINDINGS NOTIFICATION**

**Case No. (AD-OI -22/2020)**

**Subject: Anti-Dumping investigation concerning imports of Certain Flat Rolled Products of Aluminium originating in or exported from China PR-reg.**

**06/27/2020-DGTR:** Having regards to the Customs Tariff Act 1975, as amended from time to time 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 thereof:

**A. BACKGROUND OF THE CASE:**

2. M/s Hindalco Industries Ltd. (hereinafter also referred to as the “applicants” or the “domestic industry”) had 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” or “AD Rules”), for initiation of an anti-dumping investigation on the imports of Certain Flat Rolled Products of Aluminium (hereinafter also referred as the subject goods or the “product under consideration” or the “PUC”) originating in or exported from China PR (hereinafter also referred to as the “subject country”).
3. And whereas, the Authority on the basis of sufficient prima facie evidence submitted by the applicant to justify the initiation of an investigation issued a public notice vide Notification No. 06/27/2020 - DGTR dated 8th September, 2020, published in the Official Gazette of India, Extraordinary, initiating the subject investigation in accordance with the Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the injury to the domestic industry.

## **B. PROCEDURE**

4. Procedure described herein below has been followed with regard to the subject investigation:
  - a. The Authority notified the Embassy of the subject country in India about the receipt of the anti-dumping application before proceeding to initiate the investigation in accordance with the Rules.
  - b. The Authority issued a public notice No. 06/27/2020 - DGTR dated 8th September, 2020, published in the Gazette of India Extraordinary, initiating an anti-dumping investigation concerning imports of the subject goods from the subject country.
  - c. The Authority sent a copy of the initiation notification to the Embassy of the subject country in India, known producers/exporters from the subject country, known importers/users in India, other Indian producers and the domestic industry as per the addresses made available by the applicant and requested them to make their views known in writing within 30 days of the initiation notification.
  - d. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Embassy of the subject country in India in accordance with the Rules.
  - e. The Embassy of the subject country in India was also requested to advise the exporters/producers from their 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 China PR.
  - f. The Authority sent Exporter's Questionnaire to elicit relevant information to the following known producers/exporters in the subject country in accordance with Rule 6(4) of the Rules:
    - i. Xiamen Shengmao Co Ltd
    - ii. Hang Yue Tong Company Limited
    - iii. Dingsheng Aluminium Industries
    - iv. Xiashun Holdings Limited
    - v. Luoyang Longding Aluminium
    - vi. Henan Mingtai Aluminium Industry Company Limited
    - vii. Jiangsu Alcha Aluminium Co., Ltd
  - g. The following producers/exporters from the subject country filed exporter's questionnaire response:
    - i. Jiangsu Dingsheng New Materials Joint-Stock Co Ltd.

- ii. Hangzhou Dingsheng Import & Export Co., Ltd.
  - iii. Dingsheng Aluminum Industries (Hongkong) Trading Co., Limited
  - iv. Inner Mongolia Liansheng New Energy Material Co
  - v. Arconic (Kunshan) Aluminum Products Co., Ltd.
  - vi. M/s Granges Aluminium (Shanghai) Ltd. (GAS)
- h. The Authority sent questionnaires to the following known importers/users of subject goods in India calling for necessary information, in accordance with the Rules:
- i. Technova Imaging Systems Pvt Ltd
  - ii. SKM Steel Limited
  - iii. Jindal (India) Limited
  - iv. Banco Products Ltd
  - v. Greenberry Foils India Limited
  - vi. Tata Toyo Radiator Ltd
  - vii. Amber Enterprises India Limited
- i. The following importers filed importer/users questionnaire response:
- i. Alkraft Thermotechnologies Pvt. Ltd.
  - ii. Technova Imaging Systems Private Limited
  - iii. Jindal (India) Limited
  - iv. Raviraj Foils Limited
  - v. Indomax Industries
  - vi. Aludecor Lamination Private Limited
  - vii. Mahle Anand Thermal Systems Pvt. Ltd.
- j. Following interested parties have also made the submissions:
- i. Aluminium Secondary Manufacturers Association
  - ii. ACP Manufacturer Association
  - iii. Greenberry Foils India Limited
  - iv. Shree Venkateshwara Electrocast Private Limited
  - v. Hanon Automotive Systems India Pvt Ltd
  - vi. Mahle Anand Thermal Systems Pvt. Ltd.
- k. The Authority, upon request, granted extension till 6th December, 2020 to the exporters to file the questionnaire response.
- l. The Authority directed the parties to share the non-confidential version of their response with the list of interested parties. The parties exchanged the non-confidential version of the response with other interested parties through email.
- m. Further information was sought from the applicants and the other interested parties to the extent deemed necessary. Verification of the information provided by the

domestic industry and the exporters by way of table study, to the extent deemed necessary, was carried out by the Authority.

- n. The investigation was conducted for the period from 1st April, 2019 to 31st March, 2020 (12 months) (hereinafter referred to as the 'Period of Investigation' or the 'POI'). The injury analysis covered the period from 01st April, 2016 – 31st March, 2017, 01st April, 2017 – 31st March, 2018, 01st April, 2018 – 31st March, 2019 and the POI.
- o. A request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide the transaction-wise details of imports of subject goods for the past three years and the period of investigation, which was received by the Authority. The Authority has relied upon the DGCI&S data for computation of the volume of imports and its analysis after due examination of the transactions.
- p. The Non-injurious Price (NIP) based on the optimum cost of production and cost to make & sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules has been worked out so as to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- q. In accordance with the Rules, the Authority provided an opportunity to all the interested parties to present their submissions orally in the oral hearing held on 25th May, 2021 which was attended by various parties. The interested parties who presented their views at the oral hearing were advised to file written submissions of their views expressed orally. The interested parties were also provided with an opportunity to offer rejoinder submissions to the views expressed by the opposing interested parties.
- r. 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 26.08.2021 and the interested parties were allowed time upto 02.09.2021 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.
- s. The Authority has considered all the arguments raised and the information provided by all the interested parties at this stage, to the extent the same are supported with evidence and considered relevant to the present investigation. 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 finding.

- t. Information provided by the interested parties on a confidential basis was examined with regard to the sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on a confidential basis were directed to provide sufficient non-confidential version of the information filed on a confidential basis.
- u. 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.
- v. ‘\*\*\*\*’ in this final finding represents information furnished by an interested party/any other party on a confidential basis and so considered by the Authority under the Rules.
- w. The exchange rate for the POI has been taken by the Authority as 1 US\$ = Rs. 71.66.

## **C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE**

### **C.1 Submissions made by the domestic industry**

- 5. The following are the key submissions made by the domestic industry with regard to the product under consideration and the like article:
  - a. The product under consideration is “Flat Rolled Products of Aluminium” (FRP). FRP is made in the form of Aluminium Rolled Coils, or Aluminium Rolled Sheets of various dimensions. FRP is made from primary or secondary aluminium which may undergo several processes such as melting & alloying, slab casting (slabs/concast), hot rolling, cold rolling, and other finishing processes and used for a variety of applications depending upon the gauge, temper, alloy, width, finish etc.
  - b. The product scope includes all product forms and shapes of the products, inter-alia, Coil, Sheets, Circles, Plates etc. with patterns including mill finished or coated products. The scope of the PUC includes products of all dimensions, diameters, thickness, widths, alloys, finish, etc, excluding:
    - i. Can-body Stock – also include Can End Stock (CES) used to make aluminium cans; and
    - ii. Aluminium Foil up to 80 microns attracting anti-dumping duty vide Customs Notification No. 23/2017-Customs (ADD) dated 16th May,

2017 issued pursuant to the final findings dated 10th March, 2017, notification no F.No. 14/06/2015-DGAD.

PCN

- c. The applicant proposed for the adoption of certain product control numbers (**PCNs**) based on, amongst other things, generally accepted commercial nomenclature of the product types included within the PUC.
- d. The PCN categorization is only indicative and is based on commercial nomenclature so as to ensure a fair comparison. All these products fall under the basket of flat rolled products offered by the domestic industry. Should there be any significant difference in pricing of various product types, that should be addressed through a PCN to PCN comparison for the purpose of the dumping and injury margin.
- e. Exclusion requests: With regard to exclusion requests made by the interested parties, the domestic industry has submitted as follows:

Aluminium Foil up to 80 Micron with the Customs Notification No. 23/2017 imposing anti-dumping duty on Aluminium foil up to 80 micron

- i. The domestic industry does not object to a clarification from the Authority with respect to the items that are excluded under Customs Notification No. 23/2017- Customs (ADD) dated 16th May, 2017. However, the domestic industry requests that such clarification explicitly makes note of the fact that “Aluminium composite panel stock” or “ACP mill finish” and Clad with compatible non clad Aluminium Foil are in fact included in the scope of this investigation. It is also submitted, for the sake of clarification, that Customs Notification 23/2017 does not exclude “ACP mill finish” which is included in the PUC in the present investigation. Rather, it excludes ACP (i.e., the finished product) which is different from “ACP mill finish”.

Foil stock of thickness above 0.3mm

- ii. The domestic industry has the capability to produce products below the thickness of 0.3 mm and has indeed supplied products with less than 0.3 mm thickness in the POI.

Foil Stock of width above 1950 mm.

- iii. There is no requirement for Indian users to purchase foil stock of width above 1950 mm. Raviraj Foils may: (i) directly purchase 1000mm foil from the domestic industry and trade in the same; or (ii) they can purchase foil of any width above 1000mm and slit the same. There is no wastage as claimed by Raviraj Foils. Evidence will show that there are different industries using foils of varying width within the sub-1000 mm category.

- iv. The import data of foil stock from FY17 to FY21 clearly demonstrates that the market exists across a broad spectrum of widths. Nearly 90% of the market in the POI was for widths <1940 mm. In fact, until FY19 there was no import of foil stock above 1940 mm.
- v. The imports of widths  $\geq 2000$  mm have been consistently priced lower than the domestic industry's sales. It is, therefore, clear that these are being dumped into the country.
- vi. If products above 1940 mm are excluded, the imports of products above 1940 mm will further increase with intensified dumping to circumvent the anti-dumping duty. This is because the importers can easily slit these products into lesser widths.
- vii. There is no "specific" end-use of products with width above 1940mm.

Products of alloy 8079

- viii. The domestic industry regularly supplies Alloy 8079 to Indian users. It also supplies Alloy 8079 to other customers, where it has received good feedback from customers with no quality complaints whatsoever.

Colour Coated Aluminium Coil

- ix. The domestic industry has supplied Colour Coated Aluminium Coil to various customers in the POI.

ACP stock / ACP finish of thickness 0.12 mm – 0.2 mm

- x. The domestic industry has been regularly supplying ACP Mill Finish to customers in the thickness of 0.10 mm to 0.2 mm.

Lithographic Aluminum Coils having a width above 1150mm

- xi. The domestic industry has supplied coils having width above 1150 mm in the past to customers. Further, the quality of products provided by the petitioner meets all the specified requirements.
- xii. No industry or manufacturer can supply products meeting all specifications at all times. Depending upon the industry and product in question, there will be some products in a batch or over multiple batches that may not meet all specifications. In such cases, those products are returned and amounts for the same are adjusted for future orders or refunded. This in itself cannot be a ground for exclusion.

Cladded coil for Tube, Header Plate and End Plate, Unclad Finstock and Unclad Coil

- xiii. The domestic industry can manufacture Unclad Finstock, Unclad Coil and Cladded Coil for Header Plate and End Plate. The domestic industry had in fact supplied material to the relevant interested party with the required specifications to users in the past (in 2016) but never received orders in the future. A one-off complaint by a user cannot be a ground for exclusion. This is particularly important in the case of trial and commercial orders. Since trial orders are small and made in different casts, it is possible that not all batches will meet all specifications to the mathematical precision. That cannot be a ground for exclusion. No metal manufacturers supply products at all times meeting all specifications. There are few rejections and there are processes to resolve and address such rejections.

Thickness Above- 0.30 mm Alloy

- xiv. The domestic industry noted that while exclusion was not sought for this variety, certain users alleged that the domestic industry's products with a thickness above 0.30 mm alloy are not meeting the required quality standards.
- xv. Domestic industry submitted that the sales of these products have been increasing, which is a testament to the superior quality of its products.

Products of domestic industry do not adhere to quality and global safety standards.

- xvi. Allegations that the domestic industry cannot meet the safety and global standards required for the auto industry are unsubstantiated and without any basis. The domestic industry regularly supplies various products (such as Auto Fin, Clad, Hard alloy, etc.) to the auto industry.

## **C.2 Submissions made by the other interested parties**

- 6. The following are the submission made by the other interested parties with regard to the product under consideration and like article:
  - a. The scope of the product under consideration is too broad and includes products excluded by the domestic industry itself. This is not reflected in the Initiation Notice.
  - b. The domestic industry is not sophisticated enough to produce FRP of aluminium for heat exchanger applications, especially in the automotive industry. More specifically, heat exchanger applications require that the products have a post-braze yield strength of >45MPa. The domestic industry does not have the research and development experience to produce such articles.
  - c. The PCNs are not appropriately defined and does not allow proper comparison as:

- Cost and price vary according to thickness and width of the product under consideration, but no bifurcation has been made between product types based on such thickness and width.
  - The scope of the product under consideration includes thickness better known, produced and sold as foil.
  - The thicknesses not produced by the domestic industry have also been included.
- d. Exclusion requests: Following exclusions have been requested by the opposing interested parties:

Foil stock of thickness below 0.3 mm

- i. The domestic industry can only produce foil stock of thickness above 0.3 mm. Hence foil stock of thickness below 0.3 mm should be excluded.
- ii. Foil stock of thickness below 0.3 mm is used to make aluminium foil of 6 microns and 6.5 microns including ultralight gauge and cigarette foil, while foil stock of thickness 0.3 mm is used to make aluminium foil of 9 microns and above.
- iii. It is technically and commercially not feasible to use any foil stock to produce different types of foils. If foil stock of thickness 0.3 mm and above is used to manufacture products currently being manufactured by foil stock of thickness less than 0.3 mm, the number of passes through the machine will increase which will lead to deterioration in quality of the product and will reduce productivity of the users.

Foil Stock of width above 1950 mm

- iv. The domestic industry does not have the capacity to produce the subject goods of width more than 1940 mm.
- v. The domestic industry has not proposed any PCN for any product falling beyond 1950 mm. The consumers are importing the product under consideration having width 2000 mm and above to match the customer requirement and to utilize the rolling capacity of the mills
- vi. In order to produce 1000 mm foil, the consumer requires a foil of 2000 mm. This is for two reasons –
  - The machine installed by the consumer cannot use an FRP of less than 1700 mm.
  - The majority of the sales made by the respondents herein are such that they require 2000mm FRP.
- vii. Therefore, if the users buy FRP below 2000 mm, they must find consumers of the leftover product after selling the 1000 mm product. The users would, therefore, end up with a significant stock of leftover FRP if they produce 1000 mm foil by using FRP below 2000 mm
- viii. The users would be willing to provide end-user undertakings to address any concerns regarding circumvention.

#### Foil stock AA 8079

- ix. The domestic industry produces AA 1235 (of thickness above 0.3 mm). The present domestic industry has tried to develop AA 8079 recently. However, the product produced by the present domestic industry did not meet the technical requirements/ standards as it could not be rolled below 7 microns. Rolling it below 7 microns led to the breaking of foil during the rolling process.

#### Colour coated aluminium coils

- x. The domestic industry does not have the capacity to produce colour coated coils. Production of colour coated coil from ACP stock / ACP mill finish requires a separate plant and entails an investment to the tune of ₹ 5 crores, which the domestic industry has not done even though it is an insignificant cost to it.
- xi. Consumers are not in a position to undertake the significant investment needed to produce colour coated coil themselves.
- xii. Colour coated aluminium coil was excluded in the previous safeguard investigation concerning imports of Aluminium Flat Rolled Products. Colour coated aluminium foil was also excluded from the scope of the product under consideration by the CESTAT in the anti-dumping investigation concerning imports of aluminium foil originating in or exported from China PR. Accordingly, colour coated aluminium coil should be excluded from the present investigation as well.
- xiii. The domestic industry has not sold any colour coated coil to the consumers despite such a large demand in the country. This can be verified from the PCN wise sales information that must have been provided by the present domestic industry.

#### ACP Stock / ACP Mill finish of thickness between 0.12 mm – 0.2 mm

- xiv. The domestic industry does not have the capacity to manufacture ACP Stock / ACP mill finish of thickness between 0.12 mm – 0.2 mm. Hence this should be excluded from the scope of the PUC.
- xv. Almost 40% imports in India are of the said thickness. The Authority has followed a consistent practice of excluding products not manufactured by the domestic industry from the scope of the product under consideration.

#### Lithograde Aluminium Coils above 1150 mm width

- xvi. Aluminium offset printing plates are manufactured from high purity litho-grade aluminium coils which is the crucial and principal raw material for its manufacturing. Litho-grade aluminium coils, which has been made a part of the current PUC, are a special grade of aluminium coils made from alloy of aluminium and lithium.
- xvii. TechNova requires litho-grade Aluminium coils of certain higher width ranges which goes up to 1600 mm which the domestic industry does not manufacture. The domestic

industry is not commercially capable of supplying litho-grade aluminium coils beyond 1150 mm. Consequently, users have no other option but to import Lithograde aluminium coils beyond 1150 mm width into India.

- xviii. During the POI and 2020-21, 95% - 100% of the Lithograde aluminium coils beyond width 1150 mm have been imported, whereas, the domestic industry has been able to supply only 0% - 5% of Lithograde aluminium coils above 1150 mm width.
- xix. Most of these coils supplied by the domestic industry had been on a trial basis out of which many of them failed to produce the desired quality standards required and were liable to be rejected.
- xx. Thus, the Authority is requested to exclude lithograde aluminium coils above 1150 mm width from the product scope.

#### Cladded coil for Tube, Header Plate and End Plate, Unclad Finstock and Unclad Coil

- xxi. This product is highly technical and requires expertise that the Chinese exporters possess. The domestic industry has no such expertise, and is, at best, engaged in reverse engineering products that are already in the market. The domestic industry is unable to even complete this task of replicating the imported material in an efficient manner. More specifically, heat exchanger applications require that the products have post-braze yield strength of >45MPa. The domestic industry does not have the capacity to manufacture the same.
- xxii. An importer has attempted to purchase from the domestic industry, and the domestic industry has failed to deliver as per specifications.
- xxiii. Heat exchanger applications were excluded from ADD in the earlier anti-dumping investigations on FRP/ Foil and accordingly should be excluded in the present investigation as well.

#### Can-body Stock including Can End Stock (CES) used to make aluminum cans' and 'Aluminum Foil upto 80 micron

- xxiv. The Authority should exclude 'Can-body Stock including Can End Stock (CES) used to make aluminum cans' and 'Aluminum Foil upto 80 micron (as excluded from the Final Findings No. 14/06/2015-DGAD dated 10<sup>th</sup> March, 2017 and Initiation Notification No. 6/21/2020-DGTR dated 20<sup>th</sup> June, 2020)'. The exclusion should not be given with reference to the customs notification and the final findings and a detailed description of the products excluded should be provided.
- xxv. Request of the domestic industry to include (i) *aluminium composite panel* and (ii) *clad with compatible non clad aluminium foil* cannot be accepted. In the anti-dumping investigation concerning Aluminium Foil upto 80 Micron originating from China PR, the Authority excluded the aforementioned product types because they were not being produced by the domestic industry.

### **C.3 Examination by the Authority**

7. Various interested parties have raised a number of issues with regard to the scope of the product under consideration in the present case. Interested parties have sought exclusion of certain products from the scope of the PUC on the grounds that the domestic industry is not capable of producing the product type or supply the product in the desired product type, or the quality of the product produced and supplied by the domestic industry is not satisfactory. The arguments of interested parties have been examined after calling relevant information from the parties and examined the same during the table verification and also taking into account the evidence submitted on record by the interested parties.
8. The product under consideration is “Flat Rolled Products of Aluminium”. FRP is made in the form of Aluminium Rolled Coils or Aluminium Rolled Sheets of various dimensions. The product scope includes all product forms and shapes of the products, inter-alia, Coil, Sheets, Circles, Plates etc. with patterns including mill finished or coated products.
9. The Authority notes certain exclusions proposed by the domestic industry in its application. The Authority clarifies that the following products are excluded from the scope of the product under consideration in this investigation:
  - i. Can-body Stock – also includes Can End Stock (CES) used to make aluminium cans; and
  - ii. Aluminium Foil up to 80 microns.
10. The Authority has verified that the grades that have been excluded above have not been considered as a part of the import data, and consequently, for the purposes of determining dumping and injury analysis in this investigation.
11. The Authority notes that the subject goods are being imported in various types. The applicants had proposed product control numbers (PCN) in order to make PCN to PCN comparison. Considering the parameters that impact the associated cost and prices of the product, the Authority notified a PCN methodology vide Initiation Notification No. 06/27/2020-DGTR dated 8<sup>th</sup> September, 2020. The PCN methodology adopted in the present investigation is as follows:

PCN	Thickness Range (mm)	Width Range (mm)	Temper	Alloy Series	Length Range (mm)	Primary Application
ACP Stock / ACP Mill Finish (ACP)	0.12 to 0.98	760 to 1550	H12, H14, H16, H18,	1xxx, 3xxx, 5xxx,	-	Aluminium composite panels, for

			H22, H24, H28			façade, Partitions, Signage etc.
Colour Coated	0.12 to 1.63	760 to 1550	H12, H14, H16, H18, H22, H24, H28, H4X	1xxx, 3xxx, 5xxx,	1000 to 7000 (for Sheet)	Aluminium composite panel, for façade, insulation, roofing/cladding
Fin Stock	0.04 to 1.5	10 to 1220	O, H12, H14, H16, H18, H19, H22, H24, H26, H28, & F	1xxx, 3xxx, 8xxx		HVAC applications for automotive/transport, industrial heat exchanger and air conditioning
Clad	0.045 to 4.0	10 to 1200	O, H12, H14, H16, H18, H19, H22, H24, H26, H28, & F	3xxx, 4xxx, 5xxx, 7xxx	500 to 4500 (for Sheet)	HVAC applications for automotive/transport
Circles	0.6 to 7.25	102 to 1350 (Diameter)	O, H12, H14, H16, H18, H24, T6	1xxx, 3xxx, 4xxx, 5xxx, 6xxx, 8xxx		Pressure Cooker & Cookwares
Foil Stock	More than 0.08 to 0.60	540 to 1940	H14, H16, H18, H24 & F	1xxx, 3xxx, 8xxx,		Packaging
Hard Alloys	0.20 to 5	20 to 1900	O, H12, H14, H16, H18, H19, H22, H24, H26, H28, H32, H34, H36,	2xxx, 5xxx, 6xxx, 7xxx	500 to 6000	Industrial, Construction and Defense Applications

			H38, T4, T5, T6			
Lithographic Aluminium	0.20 to 0.35	600 to 1460	H18	1xxx		Printing plates
Plates	5 to 300	140 to 1900	T6, F, O, H111	1xxx, 2xxx, 3xxx, 5xxx, 6xxx, 7xxx, 8xxx	500 to 6000	Defense and Industrial Applications
Closure Stock	0.13 to 0.52	38 to 1940	O, H14, H16, H18, H34, H36, H39	1xxx, 3xxx, 5xxx, 8xxx	425 to 1300	PP Caps and Packaging
Applications including General Engineering and Industrial Applications (which may be called GEQ)	0.07 to 5	10 to 1950	O, H12, H14, H15, H16, H18, H19, H22, H24, H26, H28, F, H2X, H3X, H4X, T4, T6	1xxx, 3xxx, 5xxx, 6xxx, 8xxx	600 to 6000	Industrial, Automotive, Construction, Durables, Insulations etc.

12. Different types of aluminium flat-rolled products are comparable in terms of essential product characteristics including physical, production technology, manufacturing process, plant & equipment, functions & usage, etc. Different categories/types are intended to meet different end-user requirements. The design of the aluminium flat-rolled products differs as per the end-use requirements. As far as interchangeability is concerned, aluminium flat-rolled products that belong to different product groups may not be interchangeable due to various reasons such as the specific alloy treatments used or the type of finishing. Still, these products fall in the product scope of the investigation as they share the same basic physical, chemical and technical characteristics. However, different types of aluminium flat-rolled products constitute one article and it would not be appropriate to exclude product types if the domestic industry is manufacturing the like article to the product being imported into India.

13. The Authority has also considered the submissions by some interested parties that the scope of the PUC in the present case is too wide. In this regard the Authority notes that there is no bar either under the Customs Tariff Act or Rules which prevents multiple product types from falling within the scope of a product. In fact, the Authority has in the past in its final findings dated 23 December, 2020 in the *Anti-dumping investigation concerning imports of Flat Rolled Products of Stainless Steel from China PR, Korea RP, European Union, Japan, Taiwan, Indonesia, USA, Thailand, South Africa, UAE, Hong Kong, Singapore, Mexico, Vietnam and Malaysia* conducted an investigation on both hot rolled and cold rolled products of stainless steel together, finding that these two types were two sub- categories of the broad stainless steel category. Similarly, different types of flat rolled aluminium products are part of the broader category of aluminium flat rolled product and may be included within the scope of the same investigation.
14. The Authority considered the exclusion requests of the interested parties. The opposing interested parties have requested the following exclusions and the Authority has examined all the exclusion requests hereinunder:
- a. Foil stock of thickness below 0.3mm
  - b. Foil Stock of width above 1950 mm.
  - c. Products of alloy 8079
  - d. Colour Coated Aluminium Coil
  - e. ACP stock / ACP finish of thickness 0.12 mm – 0.2 mm
  - f. Lithographic Aluminum Coils having a width above 1150mm
  - g. Cladded coil for Tube, Header Plate and End Plate, Unclad Finstock and Unclad Coil

Foil stock of thickness below 0.3mm

15. Interested parties have argued that the domestic industry can only produce foil stock of thickness above 0.3 mm. However, the domestic industry has submitted documentary evidence to show the production and sale of foil stock below 0.3 mm. This establishes that the domestic industry has the capability to manufacture the product and it indeed manufactured and supplied the product during the POI. Therefore, the Authority holds not to exclude such a product from the scope of the PUC.

Foil Stock of width above 1950 mm

16. With respect to foil stock of width above 1950mm, interested parties have argued that the domestic industry does not supply such widths. The domestic industry has argued that there is no “specific use” of foil stock above 1950 mm.
17. After considering the submissions made, the Authority notes that there is no commercial usage of end product (i.e., foil) made using foil stock of widths above 1950 mm. The Authority notes that there is no known difference in foil stock above 1950 mm and foil stock below 1950 mm supplied by the domestic industry. There is no

specific use of foil made using foil stock of widths above 1950 mm. Raviraj's arguments that anything below 2000 mm results in wastage is untenable as the lower width foil stock can also be rolled to produce the end products. In this regard, the domestic industry has provided evidence to demonstrate usage of sub-1000 mm width foil stock. Further, the Authority notes that there are no known differences between foil stock of width 1950 mm and those above 1950 mm in terms of physical and chemical characteristics, product specifications, distribution and marketing, functions and tariff classification. Therefore, the Authority does not consider it appropriate to exclude foil stock of width above 1950 mm from the scope of the investigation.

#### Products of alloy 8079

18. Interested parties have stated that the product produced by the present domestic industry did not meet the technical requirements/ standards as it could not be rolled below 7 microns. The domestic industry has claimed that it supplies Alloy 8079 to Indian users and has provided documentary evidence regarding the same.
19. The users/importers, in their response, have not identified any technical/ physical difference between the imported and domestic goods. Contrary to that, the domestic industry has received appreciation and quality approval certificates from customers.
20. Quality is not a factor for assessing the scope of the PUC. The difference in quality is not a sufficient justification for the exclusion of a product.

#### Colour Coated Aluminium Coil

21. The interested parties have argued that the domestic industry does not have the capacity to produce colour coated coils. However, the domestic industry has provided evidence that it has supplied Colour Coated Aluminium Coil to various customers, including an interested party in this case in the POI.
22. With respect to the exclusion of Colour Coated Aluminium Coil in past investigations, the Authority notes that for the purposes of the current investigation, the Authority has looked at the evidence and data provided by the domestic industry and the Authority notes that the domestic industry is manufacturing and has supplied colour coated aluminium coil to customers and, therefore, they are included within the scope of the PUC.

#### ACP stock / ACP finish of thickness 0.12 mm – 0.2 mm

23. Interested parties have argued that the domestic industry does not have the capacity to manufacture ACP Stock / ACP mill finish of thickness between 0.12 mm – 0.2 mm. Hence this should be excluded from the scope of the PUC. The domestic industry has claimed that it supplies these products to Indian users and has provided documentary evidence regarding the same. Therefore, the Authority has determined not to exclude such a product from the scope of the PUC.

Lithographic Aluminum Coils having a width above 1150 mm

24. Interested parties have submitted that the domestic industry is not commercially capable of supplying Lithograde Aluminium coils beyond 1150 mm and up to 1600 mm width and that the domestic industry has been able to supply only 0% - 5% of Lithograde Aluminium coils above 1150 mm width.
25. On the other hand, the domestic industry has submitted that it has supplied coils having width above 1150 mm in the past to customers meeting all the specified requirements.
26. The Authority has verified the evidence submitted by the domestic industry and finds that the domestic industry has supplied Lithograde Aluminium coils beyond 1150 mm and up to 1600 mm width to one of the parties. Accordingly, this is included within the scope of the PUC.
27. The Authority notes that a possible demand-supply gap does not justify the exclusion of particular product types where they are comparable to the product under consideration in terms of characteristics such as physical & chemical characteristics, functions & uses, product specifications, distribution & marketing and tariff classification of the goods.
28. Interested parties have argued that the supply of these coils by domestic industry had been on a trial basis out of which many of them failed to produce the desired quality standards required and were liable to be rejected.
29. The Authority notes that if the government has prescribed certain standards of a product and the product supplied by the domestic industry conforms to such standards, the consumers cannot contend that the product type produced by the domestic industry does not meet the desired standards. It is also noted that nothing substantial has been provided by the interested parties to demonstrate the difference in the quality of the product supplied by the domestic industry and imported into India.
30. Therefore, the Authority holds not to exclude such a product from the scope of PUC.

Cladded coil for Tube, Header Plate and End Plate, Unclad Finstock and Unclad Coil

31. The interested parties have argued that the domestic industry cannot provide high quality and technical products needed in the auto industry while the domestic industry has submitted that it can manufacture Unclad Finstock, Unclad Coil and Cladded Coil for Header Plate and End Plate.
32. With respect to the quality of products, the Authority reiterates that quality issues cannot be grounds for exclusion in an antidumping investigation.
33. Therefore, the Authority has determined not to exclude such a product from the scope of the PUC.

34. In view of the forgoing, the scope of the product under consideration for the purpose of the present investigation is as follows.

*“The product under consideration is “Flat Rolled Products of Aluminium”. FRP is made in the form of Aluminium Rolled Coils, or Aluminium Rolled Sheets of various dimensions. The product scope includes all product forms and shapes of the products, inter-alia, Coil, Sheets, Circles, Plates etc. with patterns including mill finished or coated products. The scope of PUC includes products of all dimensions, diameters, thickness, widths, alloys, finish etc., excluding:*

*i. Can-body Stock – also include Can End Stock (CES) used to make aluminium cans; and*

*ii. Aluminium Foil up to 80 microns. (It is clarified that “Aluminium composite panel stock” or “ACP mill finish” and Clad with compatible non-clad Aluminium Foil are included in the scope of this investigation.)”*

35. After considering the information on record, the Authority notes that there is no known difference in product under consideration exported from the subject country and the product produced by the domestic industry. The subject product produced by the domestic industry is comparable to the product under consideration in terms of characteristics such as physical & chemical characteristics, functions & uses, product specifications, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. The Authority notes that the subject product produced by the applicant domestic industry is like an article to the product under consideration, in accordance with the Rules.

## **D. DOMESTIC INDUSTRY AND STANDING**

### **D.1 Submissions made by the domestic industry**

36. The following key submissions have been made by the domestic industry with regard to scope and standing of the domestic industry:

- a. The Application has been filed by M/s Hindalco Industries Ltd. The applicant has neither imported the subject goods from the subject country nor is related to any producer or exporter of the subject goods.
- b. The production share of the petitioner is approximately 71% of the total Indian production. In view of the same, the petitioner is eligible to be the domestic industry pursuant to Rule 2(b) read with Rule 5(3) of the Rules.
- c. Further, the application is supported by two domestic producers, namely, M/s Jindal Aluminium Limited and M/s Manaksia Aluminium Company Limited. The supporters have filed the requisite data. They have disclosed all the critical information before

the Authority. Disclosure of such information will validate the standing and injury claimed by the domestic industry.

- d. In addition, two other domestic producers, namely, M/s Vedanta Limited and M/s Virgo Aluminium have expressed support for the imposition of duties.

## **D.2 Submissions made by the other interested parties**

37. Following submissions have been made by the other interested parties with regard to scope and standing of the domestic industry:

- a. Jindal and Manaksia have imported the subject goods from China PR. As per Rule 2(b) of the Rules, the domestic industry must not include the domestic producers when they are themselves the importer of the subject goods. Therefore, Jindal and Manaksia cannot be considered as comprising the domestic industry
- b. The supporter information in the required format as stipulated by Trade Notice No. 13/2018 has not been furnished by Vedanta Limited. Vedanta Limited has only provided a one-page letter along with the petition in support of the petition.
- c. Supporter companies are required to provide certain information including the data of their economic parameters in the format prescribed by the Authority in the said Trade Notice. However, in the present investigation, the supporters have only provided the data relating to production and sales and that too has been claimed as confidential. Only Jindal and Manaksia have provided non-confidential version (NCV) of the information furnished by them.

## **D.3 Examination by the Authority**

38. Rule 2 (b) of the 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”.*

39. The application has been filed by M/s. Hindalco Industries Ltd., and is supported by M/s Jindal Aluminium Limited and M/s Manaksia Aluminium Company Limited In addition, two other domestic producers, namely, M/s Vedanta Limited and M/s Virgo Aluminium have expressed support for the imposition of duties.

40. As per the Rules, the Authority is required to examine whether (a) domestic producers expressly supporting the application account for more than twenty-five per cent of the total production of the like article by the domestic industry; and (b) the application is supported by those domestic producers whose collective output constitute more than fifty per cent of the total production of the like article produced by that portion of the domestic industry expressing either support for or opposition to the application. The applicant constitutes 71% of the total domestic production and with supporters, applicant constitute 91 % of the total Indian production.
41. Therefore, Hindalco Industries Ltd. meets the requirements to constitute the domestic industry under the Rules.
42. Further with respect to M/s Jindal Aluminium Limited and M/s Manaksia Aluminium Company Limited the Authority notes that Manaksia has not imported the PUC in the period of investigation while Jindal has made certain imports. These imports by Jindal do not affect the standing of the applicant as it alone constitutes 71 % of the total domestic production.
43. As regards the contention that the supporters have not filed the information in compliance with the Trade Notice No. 13/2018 dated 27 September, 2018, the Authority notes that it had invited all interested parties to file their claims with appropriate evidence and formats as applicable. Accordingly, the Authority has made its determination based on the information available on record.

## **E. ISSUES OF CONFIDENTIALITY**

### **E.1 Submissions made by the domestic industry**

44. The following submissions have been made by the domestic industry with regard to confidentiality
- a. The questionnaire responses filed by the interested parties are grossly deficient and violates the norms of confidentiality. The opposing interested parties, i.e., the exporters, importer and users completely ignored the requirements set up for them in the Trade Notice No. 10/2018 dated 7th September, 2018.
  - b. The domestic industry has filed communication, pointing out deficiencies in the responses filed by all the exporters and importers in the investigation. Except for Granges Aluminium Shanghai Ltd, none of the parties provided a response to these comments. In absence of any credible response, the Authority should direct the parties to either address the deficiencies or reject responses that are grossly deficient.
  - c. Related parties of Jiangsu Dingsheng New Materials Joint-Stock Co., Ltd, Dingsheng Aluminium Industries (Hongkong) Trading Co., Limited. Hangzhou Dingsheng Import & Export Co. Ltd and Mongolia Liansheng New Energy Material Co., Ltd

which are engaged in production or sales of PUC have not filed separate questionnaire responses, therefore, the response of these exporters should be rejected.

## **E.2 Submissions made by the other interested parties**

45. The following submissions have been made by the other interested parties with regard to confidentiality:
- a. The domestic industry has claimed excessive confidentiality in its application and in fact has even claimed information which was to be disclosed by them in terms of the Trade Notice No. 10/2018 as confidential. The information of NIP as well as other parameters such as purchase quantity and value of PUC, funds raised have not been furnished without showing good cause for the same
  - b. All injury parameters as listed in the application format have not been provided. The domestic industry has not furnished any evidence of lost contracts or its declining sales. No data has been provided for the average industry norm for capacity utilization, productivity per day, inventory, PBIT as % of average capital employed. No meaningful summary of Formats A to L has been provided.
  - c. The domestic industry has themselves claimed that the dumping and injury assessment should be done for each PCN but has selectively not provided the information PCN wise.
  - d. The normal value has not been computed on the basis of the domestic industry's cost and, therefore, there is no reason to keep this information confidential.
  - e. Related entities of the exporters identified by the domestic industry are not engaged in the production of the PUC but rather are involved in the "aluminium segment".
  - f. Furthermore, economic parameters of the supporters (Vedanta, Jindal and Manaksia Aluminium) have not been provided. As supporters, they have violated Trade Notice No. 13 /2018 which requires meaningful and sufficient information of supporter like profitability, return on capital employed, etc. Supporters have only provided data relating to production and sales and that too has been claimed as confidential. Jindal and Manaksia have provided non-confidential version of their application but other supporter Vedanta has not yet provided the same.
  - g. All the related entities in the Dingsheng Group, i.e., producers/exporters who are involved in the production and export of the product under consideration to India have filed the exporter questionnaire response.
  - h. The allegation of incomplete response filed by Arconic (Kunshan) Aluminum Products Co., Ltd. was unwarranted and not based on facts. Arconic (Qinhuangdao)

Aluminium Industries Co., Ltd., China PR was not involved in purchase or export of PUC to India during the period of investigation.

### **E.3 Examination by the Authority**

46. Various submissions made by the applicant as well as the other interested parties during the course of the investigation with regard to confidentiality, to the extent considered relevant by the Authority, have been examined below.

47. With regard to confidentiality of information, Rule 7 of the Rules provides 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 (4) 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 summarisation is not possible.*

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

48. Information provided by the interested parties on a confidential basis was examined with regard to the sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered confidential and not disclosed to the other interested parties. Wherever possible, parties providing information on a confidential basis were directed to provide sufficient non-confidential versions of the information filed on a confidential basis. The Authority made available the non-confidential version of the evidence submitted by various interested parties through the circulation of email.

## **F. MISCELLANEOUS SUBMISSIONS**

### **F.1 Submissions made by the domestic industry**

49. The following miscellaneous submissions have been made by domestic industry:
- a. None of the non-PUC import transactions (including Aluminium foil upto 80 microns) have been considered as the PUC while sorting the import data. The imports made under HS Code 7607 which falls under the product scope have been considered as the PUC.
  - b. As regards the performance of the supporters, the product offering (in terms of product types, alloys, temper, etc.) by the domestic industry is large compared with the product offering by the supporting companies which deal in limited product types (PCNs) and characteristics. With smaller capacities and limited product offerings by the supporters, any comparison of the applicant's financial performance with the financial performance of the supporters will be unfair and not an apple-to-apple comparison. The production process employed by the supporting companies is different from the production process of the applicant and the amount of investment made by the petitioner is significantly higher than the investment made by the supporting companies. In light of these factors, the performance of the applicant and the supporting companies may differ. In any event, the Authority ought to consider the domestic industry as is and assess the injury suffered by it on account of the dumped imports
  - c. The operations of the petitioner were affected by COVID-19 pandemic only for a period of 7-8 days during the POI (towards the end of March 2020). Therefore, the decline in performance cannot be attributed to the COVID-19.
  - d. With regard to the effects on the US-China Trade war, the imports of the PUC from China into India continued to increase in significant volumes and at dumped and injurious prices.
  - e. Imports made from Malaysia are below the non-injurious price at the total level (after considering the NIP and landed prices for individual PCN). Hence, Malaysia has correctly not been included as a subject country.

## **F.2 Submissions made by the other interested parties**

50. The following miscellaneous submissions have been made by the other interested parties:
- a. The Authority had only prima facie evidence with them about dumping and injury to the domestic industry which formed the basis for initiation of the present investigation. The present initiation is based on prima facie evidence. "Prima facie" and "sufficient" are two completely distinct terms, imply different standards and are not interchangeable. According to the Shorter Oxford English Dictionary, the term "prima facie" indicates "first impression" and the term "sufficient" implies "legally satisfactory". Hence, the petition filed by the domestic industry does not meet the requirements laid down under the law and the present initiation is bad at law.

- b. The initiation was based on inaccurate and inadequate evidence and hence, it is bad in law. This is attributed to change in the POI data post initiation since the proposed POI by the applicant was from April to December, 2019 but the POI considered by the Authority is from April, 2019 to March, 2020. Hence, the Authority did not have prima facie evidence of the total POI of 12 months to establish dumping, injury, causal link leading to change in parameters such as reduction of around 8000 MT of imports from China. There are other parameters like captive consumption, inventory, cash profit, interest cost, price undercutting, etc. which have undergone change even for the injury period. While the updated petition's purpose was only to revise the data for the POI, the other changes in parameters are not justified by the DI and its credibility cannot be ascertained.
- c. The domestic industry has sourced transaction wise import statistics for tariff headings 7606 and 7607 of the Customs Tariff Act, 1972 from the DGCI&S in the present investigation. In the on-going investigation of Aluminium Foil of less than 80 micron from Thailand, Malaysia, Indonesia, Korea RP and China PR, the domestic industry has also obtained transactions for tariff heading 7607 to determine the total import. There is a possibility of double counting of imports under HS code 7607 in the present investigation and the investigation of Aluminium Foil of less than 80 micron
- d. The methodology for segregation of import data is unclear and the Authority is requested to
  - i. To identify imports of the PUC under HS codes 7607 and 7606 separately
  - ii. To identify total imports from China PR of Aluminium foil from the ongoing aluminium foil investigation.
  - iii. To add imports of the PUC under HS code 7607 in the present investigation and the imports of aluminium foil below 80 microns in the ongoing investigation and compare the sum of imports so determined with total import volume under HS code 7607 to ensure that the sum of imports does not exceed total imports into India under HS code 7607.
- e. Various interested parties have averred that the supporting companies are performing well and, therefore, the industry at large is not suffering from any injury on account of imports from China PR.
- f. Domestic sales of the applicant have either remained stable or increased. However, the captive consumption of the subject goods and the export sales of the domestic producer have declined. It is evident that the total quantity of captive consumption of the domestic industry is shielded from injury that may be caused by imports of the PUC from the subject country.
- g. The product under consideration includes various categories based on end-use application and technical characteristics. The PUC covers a wide range of inter se products with utility across multiple industries. Therefore, it is required to be examined

whether the domestic industry had sufficient capacity to meet demand in each of these segments during the injury investigation period including the POI.

- h. Despite a steady increase in demand for subject goods as a whole, the installed capacity of the petitioner has remained stagnant. The Authority should examine if the domestic industry has had sufficient capacities to meet such substantial increase in demand in the Indian markets during the entire injury period.
- i. Imports from other countries such as Malaysia, Thailand, USA, UAE, Japan, Canada, Oman etc. have seen a significant increase during the investigation period. Hindalco has not included these countries for the purposes of anti-dumping investigation. Dumping from other countries cannot be ruled out.
- j. The petitioner has also claimed that for the purposes of dumping and injury assessment the PCN methodology should be adopted. But Hindalco has failed to provide the normal value, export price and dumping margin computed for PCN Clad and PCN Fin stock separately, effectively ruling out a meaningful understanding of the claims.
- k. Imposition of an unwarranted anti-dumping duty on the subject goods will benefit the producer in the production of downstream products and negatively impact standalone producers of *Aluminium Foil 80 micron and below*. This will increase the cost of production for standalone producers of foil and stifle healthy competition in the market.

### **F.3 Examination by the Authority**

- 51. The Authority has noted all the miscellaneous submissions by all other interested parties and examined all aspects of the submissions.
- 52. With respect to the arguments made by the interested parties regarding the performance of the supporting companies, the Authority has taken this into account. However, for the purposes of determination of injury in the present investigation, the Authority has considered the data made available by the domestic industry.
- 53. With respect to the methodology for segregation of import data, the Authority has examined the data provided by the domestic industry and notes that none of the non-PUC import transactions (including Aluminium foil upto 80 microns) has been considered as PUC while sorting the import data.
- 54. With respect to the inclusion of Malaysia as a subject country, the Authority notes that based on the data, the total imports from Malaysia are above 3 %, but imported below the non-injurious price of the concerned PCNs.

## **G. DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN**

### **G.1 Normal Value**

55. 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 destined 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 to 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):*

*Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transhipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.”*

### **G.2 Submissions made the domestic industry**

56. The following are the submissions made by the domestic industry with regard to normal value:

- a. Sub-paragraph (2) of Paragraph 8 of Annexure I of the Rules stipulates that a country shall be considered as Non-Market Economy (NME) for the purpose of the anti-dumping investigation if the same has been treated as NME in previous years preceding the investigation period unless the firms cooperating in the investigation produces sufficient evidencing establishing that it operates under market economy principles.
- b. The Authority in its final findings in the matter of “Anti-dumping duty investigation concerning imports of Digital Offset Printing Plates from China PR, Korea RP, Japan, Taiwan and Vietnam” (notification no. 6/7/2019-DGTR dated 15th May, 2020), has treated the participating exporters from China PR as operating under NME principles. In view of the same, the Authority must continue to treat firms operating in China PR as operating under NME principles.
- c. There is sufficient evidence that demonstrates continuous interference by the Chinese government into the aluminium sector. For example, a 2019 report titled “Measuring

distortions in international markets: The aluminium value chain” by Organisation for Economic Co-operation and Development identifies several ways through which the Chinese government has intervened in the aluminium value chain.

- d. The European Union Commission conducted a recent study on the *significant distortions in the economy of the People’s Republic of China for the purposes of Trade Defense Investigation* discussing aluminium sector-specific distortions in detail.
- e. A detailed study was conducted by the US Department of Commerce on the continuation of non-market economy practices by China PR on six (6) broad parameters. Based on the study, the US DoC concluded that China PR continues to operate under non-market economy practices.
- f. None of the participating exporters, other than Granges Aluminium Shanghai Ltd., has submitted a request for market economy treatment.
- g. The claims of Granges concerning market economy treatment must be rejected and normal value shall be determined on the basis of the best facts available as-
  - i. The primary metal consumed for the production of the PUC is sourced from state-controlled enterprises. Also, the raw materials pricing in China follows SHFE pricing which is subject to the intervention of the State.
  - ii. The exporter utilizes the prevailing exchange rate in China. The exchange rates are being manipulated (China has been declared as a currency manipulator by the US Govt.) to benefit Chinese exports.

### **G.3 Submissions made by the other interested parties**

57. The following submissions were made by the other interested parties with regard to normal value:

- a. The domestic industry has claimed a countrywide dumping margin of 25 – 45% for imports from China PR. The dumping margin determined by the domestic industry is inflated due to incorrect adjustments.
- b. The domestic industry has made an adjustment of 3% non-refundable VAT for determining ex-factory price.
- c. The Authority should determine the export price and dumping margin based on the questionnaire responses filed by the interested parties and not on the assertions of the domestic industry.
- d. China should be treated as a market economy. After 11th December, 2016, any member country will no longer be able to derogate from the standard rules on the determination of the normal value included in Article-2 of the Anti-Dumping Agreement while dealing with imports from China PR.

- e. Granges Shanghai is a wholly owned subsidiary of a public listed Swedish Company, M/s Granges AB. Granges AB is listed on the Stockholm, NASDAQ. No local company in China, whether private or state owned has any shareholding in Granges Shanghai. No local company exercises any direct or indirect control over Granges Shanghai's operations or sales in the subject country or on export sales. Granges Shanghai operates under the global internal corporate governance model and follows the accounting policies of the parent company. None of the shareholders or directors of the board are of Chinese nationality. According to the Article of Association of Granges Shanghai, all decision pertaining to operation of Granges Shanghai is taken by the majority of the Board. All decisions pertaining to Granges Shanghai's business policies and investment plans, financial budgets, final accounts, profit distribution, salaries, and remuneration of board of directors, appointment and replacing board of directors etc. are taken by Granges AB. It is thus, evident that no local or state-owned company in China has any control over Granges Shanghai. It is therefore, requested that the Authority should grant Granges Shanghai, market economy status and the dumping margin should be computed based on records maintained by them.
- f. Normal value, export price and dumping margin qua Granges Shanghai should be computed based on the responses filed by them and in terms of Section 9A (6A) read with Para 1 of Annexure I to the Rules. In terms of Section 9A (6A) of the Act read with Para 1 of Annexure I to the Antidumping Rules, the normal value, export price and dumping margin is required to be computed based on the responses filed by the exporter, when such records reasonably reflect the costs associated with the production and sale of the subject goods and are in accordance with the generally accepted accounting principles of the country. Granges Shanghai maintains its accounts in accordance with the Accounting Standards for Business Enterprises (ASBEs), which are the accounting standards in China PR. The ASBEs issued by the Ministry of Finance of China are in conformity with the International Financial Reporting Standards (IFRS). Since, the accounts of Granges Shanghai are based on IFRS, the normal value of Granges Shanghai should be computed based on the records maintained by them.
- g. Even if China were to be treated as a non-market economy, the law permits individual firms to claim and demonstrate that they are unaffected by distortions, if any, in the Chinese economy. Granges Shanghai relies on the proviso to sub para (3) of Paragraph 8, which permits firms operating in a non-market economy country to be treated as operating on market economy principles. The proviso to sub-para (3) also categorically states that if market conditions prevail for a firm, the Authority should apply the principles as prevailing in Para 1 to the Annexure I. Granges Shanghai has demonstrated that the criteria set out in sub para (3) of Para 8 of Annexure I are met and that it operates on market economy principles:
  - a). Granges Shanghai is a subsidiary of a Swedish company and there is no state interference in its operations. It is also not subject to any distortions carried over from

- the former nonmarket economy system. Granges Shanghai has not acquired or converted any plant, factory, or company earlier under State ownership.
- b). all decisions pertaining to costs of raw materials, sales, investments, cost of technology etc. are taken based on market signals without any state interference.
  - c). The production and financial costs of Granges Shanghai are not subject to any distortions. The depreciation of assets, write offs etc. are all done in accordance with the IFRS and there is no compensation of any nature provided to Granges Shanghai.
  - d). Granges Shanghai is subject to bankruptcy and property laws of China, which guarantee stability for the operations of Granges Shanghai.
  - e). the Exchange Rate conversions are carried out at market rates.
- 
- h. Granges Shanghai satisfies the statutory conditions for treatment as a firm, which operates on market economy principles, and market economy treatment must, therefore, be accorded to it. Hindalco only claims that China should be treated as a non-market economy country. Hindalco does not dispute that Granges Shanghai meets the statutory conditions and operates on market economy principles. The Authority has treated other companies in the subject country as operating in market economy conditions, in several previous findings, even though they were utilizing the prevailing market exchange rates in the subject country.
  - i. Granges Shanghai unlike Hindalco is not a backwardly integrated plant, and its starting raw material is aluminum ingots. The prices at which aluminum ingots is purchased by Granges Shanghai are at par with the international market prices of aluminum ingots. The costs of major inputs, such as aluminum ingots reflect international values, as is evident from the information furnished. Granges Shanghai has provided the rates at which they have purchased utilities during the POI in their response to the market economy questionnaire. The utility prices are at par with the international market. In the response to the market economy questionnaire, Granges Shanghai has submitted the amount of loan and the interest rate at which loan has been obtained. The interest rates are market rates which are comparable to the prevailing interest rates in other market economy countries.
  - j. Hindalco claims that Granges Shanghai should not be accorded market economy status on the basis that pricing of key raw material, aluminum ingot is based on SHFE prices and that SHFE prices are manipulated by the Chinese Government and not determined by market forces. According to Hindalco, the rest of the world uses LME and the SHFE prices are historically lower than LME Prices. This is a factually incorrect claim, as during the Period of Investigation, i.e., April 2019 till March 2020, the trend of LME prices being higher than SHFE prices was reversed. The LME and SHFE prices are fluctuating, and many a times, the LME price is higher than SHFE prices. Granges Shanghai has submitted evidence showing that the average price of ingots was higher than that prevailing on LME, during the POI. It may be the case that historically prices of SHFE are lower than LME, but that is not true for the present POI. Hindalco's claims are not relevant in the context of the present investigation.

- k. Granges Shanghai has submitted a complete response to both the exporter's questionnaire and the market economy questionnaire, in line with the guidelines prescribed by the Authority in the questionnaire and in terms of various trade notices issued therein. Hindalco has no valid grounds to state that the response filed by Granges Shanghai is deficient. Granges Shanghai has provided all information as required to be provided by it under the statutory provisions and its response is complete in all relevant aspects. Therefore, the responses filed by Granges Shanghai cannot be rejected. Hindalco had filed a detailed letter alleging that the responses filed by Granges Shanghai were deficient and excessive confidentiality had been claimed. Granges Shanghai had refuted these claims and made further disclosures of the information contained in their confidential responses. In the absence of any further comment to Granges Shanghai's questionnaire responses by Hindalco, either in the public hearing or in their written submissions, it can be safely concluded that they have no further objection or grievance against the filings. The questionnaire responses filed by Granges Shanghai, deserve acceptance.
- l. Hence, Granges should be treated as an exporter operating on market economy principles. The normal value, the export price and the dumping margin qua Granges should be computed based on the responses filed by them and in terms of Section 9A (6A) read with Para 1 of Annexure I to the Rules.
- m. The FOB price of the Unclad fin stock products from PR China is approximately Rs. 190 per kg, whereas the closest approximation of the product that the DI was able to supply was priced at Rs. 185 per kg. Therefore, there is no evidence whatsoever of dumping of the PUC.
- n. The dumping margin computation of Hindalco should be disregarded as the same has not been provided to Granges Shanghai for its comments. Hindalco has constructed the normal value based on the LME prices + premium, but Hindalco has failed to disclose this price to the other interested parties. There is no guidance in the application as to the basis on which the fabrication cost and other costs have been computed. If Hindalco fails to provide the computation to the interested parties, the Authority should completely disregard the dumping margin computed by them, as non-disclosure of the dumping margin would be in violation of the principles of natural justice.
- o. The normal value and the export price computation in any case suffers from infirmities. Granges Shanghai apprehends that for the computation of the normal value in Hindalco's petition is unrealistic, as the metal prices have been inflated, by applying premiums applicable to Hindalco. Premiums, not relevant to the Granges Shanghai's business model, cannot be added for the determination of its normal value. The comparison of prices between different metal exchanges, for evaluating the impact of state interference, should also be made with reference to the base LME price. Even otherwise, premiums are not relevant, as they are contingent on the specific conditions of particular transactions. Unless the specifics of the purchase transactions are known, these are notional and unwarranted additions to the raw material price. Even the quantum of the so-called premiums, and the assumptions made for deriving such premiums have not been disclosed. Further, as per the

application, the computation of export price includes adjustments on account of 4% VAT which is claimed to be non-refundable. This adjustment is not relevant in Granges Shanghai's case as VAT is not a cost for export sales made by Granges Shanghai to India. The entire VAT has been refunded to Granges Shanghai during the POI.

#### **G.4 Examination by the Authority**

58. 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 non-market economy provisions of subparagraph (a) shall no longer apply to that industry or sector.”*

59. It is noted that while the provisions contained in Article 15(a)(ii) have expired, the provisions under Article 2.2.1.1 of the WTO read with an obligation under 15 (a) (i) of the Accession Protocol requires 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. Accordingly, China PR has been treated as a non-market economy country subject to a rebuttal of the presumption by the exporting country or individual exporters in terms of the Rules by providing information in the supplementary questionnaire response. The same has also been examined and held by the Authority in the recent final findings issued by the Authority in the final findings dated 18th June, 2021 in an anti-dumping investigation concerning imports of Aluminium Foil 80 micron and below from China PR, Indonesia, Malaysia and Thailand wherein the Authority has affirmed the treatment of China PR as a non-market economy.
60. The Authority notes that except for Granges Aluminium Shanghai Ltd., no other cooperating producer/exporter from China PR has filed a supplementary questionnaire. Therefore, the normal value computation for other producers/exporters is required to be dealt with as per provisions of Para 7 of Annexure-1 of Anti-Dumping Rules.

## **G.5. Determination of Normal Value and Export Price for cooperating producers and exporters**

### **G.5.1. Evaluation of MET status of Granges Aluminium Shanghai Ltd., China PR**

61. The Authority notes that Granges Aluminium Shanghai Ltd has submitted that it is a wholly owned subsidiary of a public listed Swedish Company, M/s Granges AB; that Granges AB is listed on the Stockholm, NASDAQ; that no local company in China, whether private or state owned has any shareholding in Granges Shanghai; that no local company exercises any direct or indirect control over Granges Shanghai's operations or sales in the subject country or on export sales; that Granges Shanghai operates under the global internal corporate governance model and follows the accounting policies of the parent company; that none of the shareholders or directors of the board are of Chinese nationality; that according to the Article of Association of Granges Shanghai, all decisions pertaining to the operation of Granges Shanghai are taken by the majority of the Board; that all decisions pertaining to Granges Shanghai's business policies and investment plans, financial budgets, final accounts, profit distribution, salaries, and remuneration of board of directors, appointment and replacing board of directors etc. are taken by Granges AB and, therefore, Authority should compute the normal value, export price and dumping margin qua Granges Shanghai based on the responses filed by them and in terms of Section 9A (6A) read with Para 1 of Annexure I to the Rules.

62. With respect to the claim of Granges Aluminium Shanghai Ltd to claim MET status, the Authority notes the following:
63. As per Paragraph 8, Annexure I to the Anti-Dumping Rules as amended, the presumption of a non-market economy can be rebutted if the exporter(s) from China PR provides information and sufficient evidence on the basis of the criteria specified in subparagraph (3) in Paragraph 8 and prove to the contrary. The cooperating exporters/producers of the subject goods from the People's Republic of China PR are required to furnish necessary information/sufficient evidence as mentioned in subparagraph (3) of paragraph 8 in response to the market economy treatment (MET) questionnaire to enable the Designated Authority to consider the following criteria as to whether: -
- a. The decisions of concerned firms in China PR 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 the 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.
64. The Authority notes the submissions made by Granges Aluminium Shanghai Ltd regarding claim of market economy status, questionnaire filed with domestic sales, export sales and cost of production along with supplementary questionnaire regarding the claim of market economy status and supplemented with additional submissions with regard to the claim of market economy status.
65. The Authority notes that prevailing prices of aluminium in China PR are governed by the Shanghai Future Exchange ("SHFE") which is a state-controlled exchange. On comparing the SHFE prices with London Metal Exchange prices on an apple to apple basis, the Authority notes that SHFE prices of Aluminium (excluding VAT) are lower than the LME prices (including relevant premium) and, therefore, the costs of the subject goods (where Aluminium is a major raw material) from China are not representative of actual costs. Further, Granges Aluminium Shanghai Ltd. has also acknowledged that it sources the raw materials (i.e., Aluminium Ingots) from the state-controlled enterprise. Thus, such purchase price of the raw materials is subject to state interference.
66. The same has been examined and held by the Authority in the final findings issued recently in the anti-dumping investigation concerning imports of Digital Offset Printing Plates from China, Japan, Korea, Taiwan and Vietnam vide Notification No. 6/7/2019 dated 15<sup>th</sup> May, 2020 wherein the Authority noted that:

*“42. ....The Authority notes that prevailing prices of aluminum in China PR are governed by the ShFE which is state-controlled. On comparing the Shanghai Future Exchange (“SHFE”) prices with London Metal Exchange prices on an apple to apple basis, the Authority notes that SHFE prices of Aluminum (excluding VAT) are lower than the LME prices (including relevant premium) and therefore the costs of subject goods (where Aluminum is a major raw material) from China are not representative of actual costs.”*

*“45. The Authority further notes that Kodak purchases the raw material from state owned enterprise. Thus, such purchase price of the raw materials is being governed by state interference.....”*

67. The same considerations apply to the facts of the present case as well.

68. Further, the Authority notes that regardless of the ownership of Granges Aluminium Shanghai Ltd, the business environment (in terms of currency exchange, energy, labour, etc.) under which Granges Aluminium Shanghai Ltd. operates is by and large subject to state intervention. The same has also been considered by the European Commission in a recent provisional finding on the same product, i.e., FRP:

*“(132) In the PRC, enterprises operating under the ownership, control and/or policy supervision or guidance by the State represent an essential part of the economy.*

*(133) The GOC and the CCP maintain structures that ensure their continued influence over enterprises, and in particular State-owned enterprises (SOEs). The State (and in many aspects also the CCP) not only actively formulates and oversees the implementation of general economic policies by individual SOEs, but it also claims its rights to participate in operational decision making in SOEs. This is typically done through rotation of cadres between government authorities and SOEs, through presence of party members on SOEs executive bodies and of party cells in companies (see also Section 3.3.1.4), as well as through shaping the corporate structure of the SOE sector. In exchange, SOEs enjoy a particular status within the Chinese economy, which entails a number of economic benefits, in particular shielding from competition and preferential access to relevant inputs, including finance. The elements that point to the existence of government control over enterprises in the aluminium sector are further developed in Section 3.3.1.5 below.*

*(134) The OECD Study, submitted as evidence by the complainant, refers to SOEs in the aluminium sector which specifically emphasize in their regulatory filings how State ownership influences relevant industrial policies and how State ownership translates into government support. More specifically, one SOE mentions in its 2016 bond prospectus that it is one of the 52 backbone State-owned enterprises, that it plays a key role in the formulation and implementation of policies in the power sector and that it receives comprehensive and sustained support from the GOC. Another SOE refers in its 2017 bond prospectus to the fact that the respective provincial government can exert significant influence on the group.*

*(135) The PRC is the largest aluminium producer in the world, with several large SOEs amongst the top individual producers worldwide. According to estimates, SOEs account for more than 50 % of the total primary aluminium output in the PRC. A study on the non-ferrous metal industry in the PRC also points in the direction of SOEs accounting for a dominant share of the domestic market. While an increase in capacity in recent years is attributed partly to privately-owned companies, such capacity increase would usually also entail various forms of (local) government involvement, such as tolerating illegal capacity expansion. Moreover, the aluminium production capacity amongst the main SOEs has also increased, though to a lesser extent.*

*(136) Apart from controlling the SOEs, the GOC is also influencing the privately owned companies in the PRC. During the investigation it was established that the aluminium flat-rolled products producers received subsidies from the government. For example, one of the sampled companies, Jiangsu Alcha Group, lists a number of governmental subsidies in the company's annual report. A number of SOEs persist among the aluminium flat-rolled products exporters, including Chalco Ruimin and Southwest Aluminium Group, which are subsidiaries of Chalco, an SOE under SASAC supervision.*

*(137) With the high level of government intervention in the aluminium industry and a high share of SOEs in the sector, even privately owned producers are prevented from operating under market conditions. Indeed, both public and privately owned enterprises in the aluminium sector are also subject to policy supervision and guidance as set out in Section 3.3.1.5 below.”*

*“(188) The preceding analysis, which includes an examination of all the available evidence relating to public interventions in the Chinese economy in general as well as in the aluminium sector (including the product concerned), showed that prices or costs of the product concerned, including the costs of raw materials, energy and labour, are not the result of free market forces because they are affected by substantial government intervention within the meaning of Article 2(6a)(b) of the basic Regulation as shown by the actual or potential impact of one or more of the relevant elements listed therein. On that basis, and in the absence of any cooperation from the GOC, the Commission concluded that it is not appropriate to use domestic prices and costs to establish normal value in this case.”*

69. In light of the above, the Authority considers all producers/exporters from China PR including Granges as not qualifying for the market economy treatment which have claimed market economy treatment.

70. Accordingly, the normal value and the export price for all the producers/exporters from China PR have been determined as below:

#### **G.5.2 Determination of normal value for China PR.**

71. The normal value for all producers/exporters of the PUC from China PR has been determined in accordance with para 7 of Annexure I of the Rules. In the absence of sufficient information on record regarding the other methods under Para 7 of Annexure

I of the Rules, the Authority has determined the normal value by considering the method on “any other reasonable basis”.

72. The Authority has, therefore, constructed the normal value for China PR on the basis of the cost of production in India, duly adjusted, including selling, general and administrative expenses and additional reasonable profits. The constructed normal value so determined for Chinese producers/exporters is mentioned in the dumping margin table below.

### **G.5.3 Determination of Export Price.**

- a. **M/s Jiangsu Dingsheng New Materials Joint-Stock Co., Ltd., M/s Hangzhou Dingsheng Import and Export Co., Ltd., M/s Dingsheng Aluminum Industries (Hong Kong) Trading Co., Ltd. and M/s Inner Mongolia Liansheng New Energy Material Co., Ltd. (“Dingsheng Group”)**

73. M/s Jiangsu Dingsheng New Materials Joint-Stock Co, Ltd. (“Jiangsu Dingsheng”) and M/s Inner Mongolia Liansheng New Energy Material Co., Ltd. (“Inner Mongolia”) are related companies engaged in manufacturing of the subject goods in China PR. M/s. Jiangsu Dingsheng and M/s. Inner Mongolia have exported the subject goods directly to India and also through related trading companies, M/s Hangzhou Dingsheng Import and Export Co., Ltd. (“Dingsheng I&E”) and M/s Dingsheng Aluminium Industries (Hong Kong) Trading Co., Ltd. (“Dingsheng HK”). All the four companies, namely, Jiangsu Dingsheng, Inner Mongolia, Dingsheng I&E and Dingsheng HK have provided the relevant information in the prescribed exporters questionnaire format.
74. It is noted that during the POI, all exports were made to unrelated customers in India. M/s. Jiangsu Dingsheng has exported \*\*\* MT (own manufactured) & \*\*\* MT (manufactured by Inner Mongolia), directly, having total invoice value of USD \*\*\*. M/s. Jiangsu Dingsheng has also exported \*\*\* MT (own manufactured) through related traders Dingsheng I&E and Dingsheng HK, having total invoice value of USD \*\*\*. M/s. Inner Mongolia has exported \*\*\* MT having total invoice value of USD \*\*\* directly to India.
75. The responding producers/exporters have claimed adjustments on accounts of ocean freight, insurance, inland transportation, port and other related expenses, sales commission, bank charges and credit cost which have been allowed by the Authority. The Authority has verified the details of the exports given in the questionnaire response filed by producer/exporters. The ex-factory export price as determined is given in the dumping margin table.

- b. **M/s Arconic (Kunshan) Aluminum Products Co., Ltd (“Arconic”)**

76. Arconic (Kunshan) Aluminum Products Co., Ltd. is a limited liability company (wholly owned by foreign legal person) which is established under the Company Law of China. There is no change in the structure of the Company in the last three years including the

POI. During the POI, Arconic has directly exported \*\*\* MT of PUC to India for USD \*\*\*. Arconic has claimed adjustments on account of ocean freight, insurance, inland transportation, credit cost and bank charges. Accordingly, the net export price at ex-factory level for Arconic (Kunshan) Aluminum Products Co., Ltd., China PR has been determined and same is shown in dumping margin table below.

**c. M/s Granges Aluminium (Shanghai) Ltd. (“Granges”)**

77. During the POI, M/s Granges Aluminium (Shanghai) Ltd. (producer/exporter) has exported \*\*\* MT of PUC to India for US\$ \*\*\*. Granges has directly sold the goods to unaffiliated customers in India on CIF/ FOB basis. The quantity reported by Granges has been adopted by the Authority for determining export price to India. The producer/exporter has claimed adjustment on account of rebates / discounts, credit cost and freight cost for arriving at the ex-factory export price and the same has been allowed by the Authority. Accordingly, the export price of Granges Shanghai has been determined based on the weighted average export price and the same is shown in the dumping margin table below.

**G.5.4 Determination of Normal Value and Export Price for the non-cooperating producer from China PR.**

78. Normal Value for non-cooperative producers/exporters from China PR has been determined on the basis of facts available in terms of Rule 6(8) of the Rules. The normal value so determined is mentioned in the dumping margin table below.

79. The export price for other non-cooperative producers/exporters from China PR has been determined on the basis of facts available in terms of Rule 6(8) of the Rules. The export price so determined is mentioned in the dumping margin table below.

**G.6 Dumping Margin**

80. Considering the normal values and export prices determined as above, the dumping margin for producers/exporters from the subject countries has been determined by the Authority and the same is provided in the table below:

**Dumping Margin Table**

Sl. No.	Country	Producer	Normal Value (USD/MT)	Net Export Price (USD/MT)	Dumping Margin (USD/MT)	Dumping Margin (%)	Range
1.	China PR	A).Jiangsu Dingsheng New Materials Joint-Stock Co Ltd	***	***	***	***	10-20

		B) Inner Mongolia Liansheng New Energy Material Co					
2.	China PR	Arconic (Kunshan) Aluminum Products Co., Ltd.	***	***	(***)	(***)	Negati ve
3.	China PR	Granges Aluminium (Shanghai) Ltd.	***	***	(***)	(***)	Negati ve
4.	China PR	All Others	***	***	***	***	20-30

## H. METHODOLOGY FOR INJURY DETERMINATION AND EXAMINATION OF INJURY AND CAUSAL LINK.

81. 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 prices 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.

### H.1 Submissions made by the domestic industry

82. The following submissions were made by the domestic industry with regard to injury and causal link:

- a. The dumped imports from China have increased significantly during the injury period in absolute terms. The data shows that the dumped imports of the PUC have increased from 1,07,198 MT in the base period to 1,71,492 MT in the POI.
- b. The imports have increased in relative terms (when compared with the production of the petitioner) - the imports of the PUC have increased from 39% in the base period to 64% in the POI.
- c. Imports from China increased by 60% during the same period but the sales of the petitioner have increased by only 2%. Even after considering the decline (when compared to the immediately preceding year) in the imports from China PR, the

imports remain substantial over the entire injury period and about 90% of the domestic sales of the petitioner during the POI compared to 53% in the year 2016-17 and 73% in the year 2017-18.

- d. The market share of the imports from China PR has increased substantially, i.e., by 11% during the injury period. During the same period, the market share of the petitioner declined substantially (i.e., 6%).
- e. The narrowing gap between the SHFE and LME prices is leading to less cost-benefit to Chinese exporters. The declining gap in the SHFE and LME prices is a temporary phenomenon. Therefore, the decline in the exports of the PUC from China must be assessed appropriately.
- f. It is important to note that the COVID-19 related restrictions commenced as early as December, 2019 in China, which may have resulted in the decline of the imports from China PR compared to the preceding year.
- g. The production of the petitioner remained largely stable and substantial installed capacities were underutilized during the injury period and POI. It is worthwhile to note that the petitioner could not increase its production despite the increase in the demand of the PUC in the country.
- h. Assessment of imports must not be limited to comparison with the immediate preceding year. Rather the assessment must focus on the trends for the entire injury period. The data for the injury period clearly shows a substantial increase in imports of the PUC from China.
- i. The petitioner is competing with the Chinese imports by matching the prices (even at the cost of incurring losses). Therefore, losses of the petitioner increased substantially despite having insignificant price undercutting.
- j. There is significant price suppression and price depression effects on the price of the petitioner on account of the dumped imports. While the costs of the PUC have increased significantly during the injury period, the petitioner has not been able to increase the selling price commensurate to the increase in costs due to dumped imports of the PUC.
- k. The petitioner has seen a steady and sharp decline in profits with respect to the PUC during the beginning of the injury period, which accelerated to losses in FY 2018-19 and the POI.
- l. The return on capital employed has also witnessed a commensurate decline and gone into negative during the POI.
- m. Due to the imports at cheap prices, the petitioner has not been able to sell its product to the domestic customers resulting in piling of the inventories at various plants.
- n. The production for export markets is undertaken upon the receipt of the order from the customers (i.e., production for export sales is made on an order basis) and, therefore, an increase in the inventories cannot be attributed to the export performance of the petitioner.
- o. The Authority ought to consider the domestic industry as is and assess the injury suffered by it on account of dumped imports and not the performance of the supporting companies.

- p. The petitioner submits that the interest and finance cost does not form a significant proportion in the total cost. Interest and finance cost accounts for less than \*\*\*% of the cost of sales.
- q. The petitioner is indeed competing with the Chinese exporters in the international markets as well. It is important to note that Chinese exporters adopt dumping practices in other countries as well. It is important to assess the PCN-wise distribution of export sales to third countries. Trade remedial actions undertaken by several countries (such as the US and EU) have resulted in better price realization for exports in these markets.
- r. The dumped imports of the subject goods are entering the Indian market in large quantities in absolute terms as well as in relation to the production and sales of the domestic industry.
- s. Chinese FRP producers have significantly unutilized capacities (to the tune of 8.1 million MT in the year 2020 and 8.2 million MT in the year 2021) and have enough capacities for exports to India which have a demand of only 0.5 million MT. The capacity utilization rate of Chinese producers is only close to 60%.
- t. The large capacities of Chinese FRP producers are export oriented. This is evident from the fact that China FRP producers account for 45% of world's production, whereas China PR accounts for only 39% of total consumption. Out of the total production of FRP products in China, about 16% (or close to 2 million MT) is meant for exports including India.
- u. China PR has a favourable policy for the FRP producers. The Chinese government encourages and promotes exports of value-added products instead of primary products of aluminium. This is evident from the fact that China PR levies an export tax of 15% on exports on primary aluminium (such as alloyed/unalloyed ingots, aluminium scrap etc.). On the other hand, China PR provides export rebate of 13% on exports of value-added products of aluminium including FRP.
- v. The Chinese FRP producers have increased the capacities by about 1067KT in 2020 and 940 KT in 2021. The annual demand of FRP in India is only about 500KT. Half of the new capacity additions by the Chinese FRP producers in 2020 alone is sufficient to meet the entire demand of the country.
- w. Major markets of the PUC have initiated and imposed trade remedial measures against imports of FRP products from China PR. European Union has recently imposed provisional measures in the tune of 19.3% to 46.7% on imports of FRP from China PR.

## **H.2 Submissions made by the other interested parties**

83. The following key submissions were made by the other interested parties with regard to injury and causal link:
- a. Installed capacity of MALCO to produce FRP is significantly smaller when compared to HIL (the precise detail of installed capacity is already on record and MALCO reiterates that dumped imports of the PUC have caused material injury to small producers like MALCO as well).

- b. MALCO does not offer a full range of FRP unlike HIL. Their offerings are limited to few product types and within those product types, they do not offer all specifications.
- c. Jindal's capacities are much smaller when compared to HIL and all capital employed has been funded from internal accruals/ reserves of the company since small capacity did not require any external funding.
- d. JAL produces only select range of products and alloys for simpler applications wherein the overall production costs are lower as compared to more complex products made by companies like HIL whose production costs are significantly higher with relatively lesser realization; and being a smaller manufacturer, JAL product range is relatively less vulnerable to imports from China as compared with companies like HIL.
- e. JAL reiterates that dumped imports of the PUC have caused material injury to producers like JAL as well. The degree of material injury to the large industry players like HIL and to the relatively smaller manufacturers like JAL may differ. Therefore, it is requested to expeditiously conclude the investigation and recommend imposition of a suitable amount of anti-dumping duty on imports of the PUC from China PR to address the injury caused.
- f. As per comparative analysis of Format H, there is huge difference in the figures claimed in the original petition and the updated petition during the years 2016-17, 2017-18 and 2018-19. The domestic industry was trying to manipulate the data by making amendments in the petition to mislead the Authority. This raises serious questions about the reliability and authenticity of the data provided by M/s. Hindalco Industries Limited.
- g. There is no volume effect of the subject imports since imports have significantly reduced by 78,476 MT in POI as compared to the previous year. The products are being imported from the subject country due to lack of domestic supply.
- h. Market share of the DI increased by 16 indexed points in the POI over the immediate previous year whereas the market share of China PR declined in the POI over the previous year by 34 indexed points.
- i. If the petitioner finds base year to the POI as the right method to examine the trend, then it should be noted that the increase in imports from 1.07 Lakh MT to 1.71 Lakh MT took place with substantial increase in price from Rs185/Kg in the base year to Rs195/Kg in the POI. Such increase also in imports coupled with increase in price ought not to have caused any injury to the DI.
- j. Regarding the price effect, it is submitted that the information provided in original petition and updated petition has shown a complete turnaround. In the updated petition, data of price undercutting for the previous years has also changed without any change in landed value. This raises doubt on the authenticity of the data submitted by the domestic industry. Price undercutting in 2017-18 became positive at 0-10% from negative (5)-5% in 2016-17. The PBIT in the same year nearly doubled from 100 in 2016-17 to 195 in 2017-18. Cash profit also increased by 47 index points. Despite the reduction of price undercutting to (5) – 5% in the POI, the domestic industry incurred losses and PBIT per unit declined to (379). Similarly, cash profit has also declined to (159) during POI.

- k. The selling price of the domestic industry has moved independently of the landed price and in tandem with the cost of production. Even though the landed price declined marginally, the selling price declined significantly, which shows that the decline in selling price was not due to subject imports.
- l. The comparison of selling price should be made with raw material cost. The selling price of domestic industry increased more than increase in aluminium price over the injury period. As compared to 2018-19, the selling price and cost of sales declined less than the decline in aluminium prices in the period of investigation. The prices moved in favour of domestic industry when compared with price of raw material, hence, there is no suppression or depression.
- m. The increase in costs of the domestic industry and decline in profitability is on account of change in the method of allocation of corporate expenses between aluminium and copper segment which led to increase in profitability of copper segment and decline in profitability of aluminium segment.
- n. There is a lack of correlation between profitability and price undercutting. During POI, despite reduction of price undercutting to (5) – 5% as compared to 2018-19, the profitability has dropped to (negative)379 indexed points.
- o. The petitioner has claimed steep decline in profits and ROCE during the POI which cannot be linked to volume and price of imports as volumes from China PR declined significantly by about 31% during the POI and the correction in price was very negligible by about 1%. However, PBIT shows a drop of about 275 indexed points and ROCE dropped by about 274 indexed points. This scenario is just unexplained and these facts at the best shows existence of some other factors impacting the profits of the DI.
- p. The DI registered highest profits during the period 2017-18. But in the same period price undercutting was positive and in the range of 0-10%. But when the price undercutting significantly reduced by the POI to -5 to 5%, the losses increased drastically which demonstrates inverse relation between movement of landed price of alleged dumped imports and profitability of the DI
- q. The range of price undercutting shows that the gap between landed price and NSR was nil or very negligible (if the real facts show positive undercutting) during the POI and in that case, it cannot be said that the landed price was impacting the price decisions of the petitioner in any manner as the landed price was not much lower than the price of the DI and there cannot be any price suppression or depression also from such fair prices.
- r. The claims of price suppression and depression is also completely baseless as the petitioner could increase its prices when there was an increase in cost. The slight gap in the indexed numbers of cost and NSR ought not to have triggered such huge losses in the POI.
- s. It is also need to be noted that the movement in profitability during the injury period and landed price was also not in the same direction. When the landed price increased between 2017-18 and 2018-19 wherein the DI also increased its prices, the profitability declined sharply from 204 indexed points to -90 indexed points. The culprit in this scenario could be a spike in cost which cannot be attributed to landed

price of imports. Thereafter, when the cost and NSR declined proportionately, profitability declined disproportionately and in an unexplained manner which rules out any causal relation between import and injury in the present matter.

- t. The non-injurious price determined by the Director General Trade Remedies is highly inflated and is not based on real situation. The DGTR allows 22% return on gross fixed assets, which is highly inflated and not in accordance with the Law. DGTR adopts lesser duty rule and works out the non-injurious price of the domestic industry based on cost of production of the domestic industry.
- u. The landed value of the three PCNs - Fin Stock, Clad and Plates are much higher than the selling price of the domestic industry. Therefore, there can never be a case of any material injury caused to the domestic industry.
- v. Based on the description of various expenses given in Format L of the updated petition, it appears that domestic industry has claimed various expenses for calculation of NIP which significantly distorts the comparison of NIP (ex-factory level) and landed value.
- w. There is an improvement in the relevant economic parameters of the DI since production, and capacity utilization of the applicant increased during POI and injury period for two consecutive years. Additionally, there was an increase in market share of DI from 72 to 88 indexed points from 2018-19 to POI in contrast to decrease of market share of the subject country from 169 to 135 indexed points during the same period.
- x. Capacity of the petitioner remains the same during the entire injury period. However, the production has increased during the period of investigation to 102 from 100 during the base year 2016-17. The capacity utilization has increased by 2% as compared to the base year. Thus, imports of the subject goods are not causing injury to the domestic industry.
- y. Despite decline in demand by 20 indexed points during the POI as compared to the previous year, the applicant increased its sale by 4 indexed points in the same period. There has been an increase in inventory by 57 basis points in the POI as compared to the base year which does not justify stagnation of production and sales and thus need examination by the Authority.
- z. The data submitted by the domestic industry indicates that the domestic sales of the petitioner have either remained stable or increased. However, the captive consumption of the subject goods and the export sales of the domestic producer have declined. The Authority while conducting an injury analysis must consider the impact of decline in the captive consumption and export sales on the economic parameters of the domestic industry.
- aa. There are own intrinsic factors of injury to the domestic industry. The interest and depreciation cost has increased exceptionally. Such high costs are bound to impact the bottom line of the domestic industry. The reasons for such increase must be examined, it may have increased due to the following:
  - The allocation methodology adopted by the domestic industry. If it has allocated finance cost over the products in ratio of turnover, then a decline in turnover of

- other products would result in increase in finance cost allocated over subject goods.
- Funds borrowed for capital expansion. However, unless the plant is completed and production is commenced such expenses should not be added to determine cost of sales.
  - Finance cost incurred on borrowings for other products
- bb. The domestic industry's Annual Report 2019-20 indicates severe demand shocks, supply chain disruptions throughout the world as a result of the coronavirus pandemic, trade war between US and China etc. as reasons for decline in consumption of aluminum, which has impacted the domestic industry. The injury cause to the domestic industry is attributable to these factors and not the import of subject goods.
- cc. Non-declaration by the domestic industry about the shut down in plants in the petition, tantamount to misdeclaration and concealment of vital facts from the Authority. The domestic industry should have clearly provided this information and impact of the same as the overall workings and performance should have been demonstrated which it failed to do.
- dd. Injury, if any, to the domestic industry is attributable to increase in price of raw materials. Hindalco's Annual Report for FY 2018-19 also suggests significant increase in price of raw material of aluminium globally due to trade war and imposition of sanctions on UC Rusal, Russia by the US.
- ee. Jindal Aluminium Ltd. has not suffered any injury since it has done "exceptionally well" in terms of profitability during the POI as compared to the base year and 2018-19. Had injury been due to imports, the impact would have been borne by all the companies related to the PUC, however, other producers have not suffered any injury and therefore the injury to the domestic industry is self-inflicted.
- ff. Regarding determination of Non-injurious Price (NIP), the updated petition contains various post factory gate expenses such as advertisements, other selling and distribution overheads, commission on sales, export related expenses etc. which cannot be considered for determining NIP and authority must determine the same strictly based on principles enshrined under Annexure III to the AD Rules.
- gg. Regarding threat of material injury, the applicant made conjecture remarks that there has been an increase in the production capacity of the PUC in China PR and that the Chinese producers have significantly unutilized capacities. The claims of applicant are baseless and are liable to be rejected as these claims are made purely based on conjectures and surmises and without disclosing the source of the information. There is no threat of material injury inasmuch as despite underutilized capacity in China PR, the subject imports have declined in the period of investigation which makes it evident that the producers in the subject country are not utilizing their idle capacity to increase exports to India. Accordingly, there is nothing to show that the producers in China PR would increase exports to India even after new capacities are commercialized.

### **H.3 Examination of the Authority**

84. The Authority has taken note of the submissions made by the interested parties and has examined various parameters in accordance with the relevant Anti-Dumping Rules and Annexure III after duly considering the submissions made.
85. Rule 11 of 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 the relevant facts, including the volume of the dumped imports, their effect on the prices of the domestic market for like articles and consequent effect of such imports on domestic producers of such articles.
86. 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 Rules.
87. The submissions made by interested parties with regard to injury and causal link, which have been considered relevant by the Authority are examined and addressed as under.

### H.3.1 Volume Effect of Dumped Imports

#### A. Assessment of Demand/Apparent Consumption

88. Demand or apparent consumption of the product in India has been determined as the sum of domestic sales of the Indian producers and imports from all sources:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Sales of domestic industry	MT	***	***	***	***
Trend	Indexed	100	96	99	104
Sale of Supporters	MT	***	***	***	***
Trend	Indexed	100	105	101	95
Sale of other domestic producers	MT	***	***	***	***
Trend	Indexed	100	119	130	129

Import from subject country	MT	1,07,198	1,31,526	2,49,968	1,71,492
Trend	Indexed	100	123	233	160
Import from other countries	MT	41,191	41,756	41,453	33,652
Trend	Indexed	100	101	101	82
Total Indian Demand	MT	***	***	***	***
Trend	Indexed	100	107	138	118

89. It is seen that demand has increased in the POI since the base year. The demand witnessed a decline in the POI compared to 2018-19.

**B. Import volume from the subject country in absolute terms**

90. With regard to the volume of the subject 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. The import volumes for the injury period are as under:

<b>Particulars</b>	<b>Unit</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>POI</b>
Subject Country	MT	1,07,198	1,31,526	2,49,968	1,71,492
Trend	Indexed	100	123	233	160
Un-dumped	MT	***	***	***	***
Trend	Indexed	100	110	96	81
Dumped	MT	***	***	***	***
Trend	Indexed	100	125	255	173
Non-Subject Countries	MT	41,191	41,756	41,453	33,652
Trend	Indexed	100	101	101	82
Total Imports	MT	1,48,389	1,73,281	2,91,420	2,05,144
Trend	Indexed	100	117	196	138

91. It is seen that:

- a. Imports from the subject country have increased in the injury period. Dumped imports from the subject country increased by almost 73% from the base year. While the imports have declined in the POI compared with the preceding year, the imports from the subject country increased from the base year.
- b. Imports of PUC from non-subject countries declined during the same period.

C. Import volume from the subject country in relative terms

92. The Authority considered whether the imports of the product have shown an increase in relation to production or consumption in India. The table below shows the data in this regard. Imports in relative terms shows as follows:

<b>Dumped Imports from China in relation to</b>	<b>Unit</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>POI</b>
Domestic Industry's Production	%	***	***	***	***
Trend	Indexed	100	130	252	169
Domestic Industry's Sales	%	***	***	***	***
Trend	Indexed	100	131	256	166
Demand	%	***	***	***	***
Trend	Indexed	100	117	185	146

93. It is seen that:

- a. Imports from the subject country in relation to production have increased from \*\*\*% in the base year to \*\*\*% in the POI, whereas imports in relation to demand/consumption have shown the same trend and increased from \*\*\*% in the base year to \*\*\*% in the POI.

### H.3.2 Price Effect of Dumped Imports on the domestic industry

94. With regard to the effect of the dumped imports on prices, it is required to be analyzed 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 countries 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 the landed price of imports of the subject goods from the subject countries. The Authority has carried out the analysis of price undercutting and price underselling on PCN basis as there is significant variation in the per MT prices of various PCNs.

A. Price Undercutting

95. For the purpose of price undercutting analysis, the net selling price of the domestic industry has been compared with the landed value of imports from the subject country. While computing the net selling price of the domestic industry all taxes, rebates, discounts and commissions have been deducted and sales realization at the ex-works level has been determined for comparison with the landed value of the dumped imports. For this purpose, considering the PCN adopted in the present investigation, the Authority has compared the landed price of imports with the selling price of the domestic industry for comparable PCN. Thus, weighted average price undercutting has been determined after considering associated import volumes. Accordingly, the undercutting effects of the dumped imports from the subject country work out as follows:

<b>Particulars</b>	<b>Unit</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>POI</b>
Landed Price	INR/MT	1,85,385	1,96,871	1,97,555	1,95,407
Trend	Indexed	100	106	107	105
NSR	INR/MT	***	***	***	***
Trend	Indexed	100	111	110	105
Price Undercutting	INR/MT	(***)	***	***	(***)
Trend	Indexed	100	-135	-72	114
Price Undercutting %	%	(***)	***	***	(***)
Trend	Indexed	100	-127	-68	108
Price Undercutting	% Range	Negative	0-10%	0-10%	Negative

96. The Authority notes that the price undercutting is negative during the POI. The negative price undercutting is negligible (i.e., less than 2%).

B. Price Depression and Suppression

97. In order to determine whether the dumped imports are suppressing or 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 to a significant degree, the Authority considered the changes in the costs and prices over the injury period. The position on the basis of the cost of sales and selling price furnished by the domestic industry is shown as per the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Cost of Sales	INR/MT	***	***	***	***
Trend	Indexed	100	109	124	118
Selling Price	INR/MT	***	***	***	***
Trend	Indexed	100	111	119	107
Landed Price	INR/MT	1,85,385	1,96,871	1,97,555	1,95,407
Trend	Indexed	100	106	107	105
Change in					
Cost of Sales	INR/MT		***	***	(***)
Trend	Indexed		100	160	-59
Selling Price	INR/MT		***	***	(***)
Trend	Indexed		100	70	-106

98. It is seen that cost of sales and selling price both have increased till 2018-19 and declined thereafter in the POI. The landed value has also followed the same trend. Thus, the cost of sale, selling price and landed value have declined in the POI compared to the preceding years. However, it is seen that cost of sales has increased by 18 indexed points in the POI compared to the base year, whereas the selling price increased by only 7 indexed points. At the same time, the landed value has increased by only 5 indexed points in the POI compared to the base year.

### H.3.3 Economic Parameters of the Domestic Industry

99. Annexure II to the Anti-Dumping Rules requires that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on domestic producers of such products. With regard to the consequent impact of dumped imports on domestic producers of such products, the Anti-dumping Rules further provide 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 Authority has examined the injury parameters objectively taking into account various facts and submissions made.

**A. Production, Capacity, Sales and Capacity Utilization**

100. Capacity, production, sales and capacity utilization of the domestic industry over the injury period is given in the following table:

<b>Particulars</b>	<b>Unit</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>POI</b>
Capacity	MT	***	***	***	***
Trend	Indexed	100	100	100	100
Production	MT	***	***	***	***
Trend	Indexed	100	96	101	102
Capacity Utilization	%	***	***	***	***
Trend	Indexed	100	96	101	102
Domestic Sales	MT	***	***	***	***
Trend	Indexed	100	96	100	104

101. It is seen that:

- a. The capacity of the domestic industry has remained unchanged.
- b. Production and sale of the domestic industry have increased marginally.
- c. Capacity utilization has largely remained stable during the POI.

**B. Profitability, Return on Investment and Cash Profits**

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

<b>Particulars</b>	<b>Unit</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>POI</b>
Profit/Loss	INR/MT	***	***	(***)	(***)
Trend	Indexed	100	204	-90	-365
PBIT	INR in Crs.	***	***	(***)	(***)

Trend	Indexed	100	195	-90	-379
Cash Profits	INR in Crs.	***	***	(***)	(***)
Trend	Indexed	100	147	-3	-159
Return on Investment	%	***	***	(***)	(***)
Trend	Indexed	100	207	-99	-373

103. It is seen that:

- a. It is seen that profitability of the domestic industry has improved till 2017-18 and declined drastically in the year 2018-19 and the POI.
- b. PBIT, cash profit and ROI, all three parameters have followed the same trend as the profitability. All these parameters have improved till 2017-18 and declined significantly in 2018-19 and the POI.

#### C. Market Share

104. The position of the domestic producers over the injury period with regard to market share is as follows:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Share of domestic industry	%	***	***	***	***
Trend	Indexed	100	90	72	88
Share of other producers including supporters		***	***	***	***
Trend	Indexed	100	107	86	98
Import from subject country	%	***	***	***	***
Trend	Indexed	100	115	169	135
Import from other countries	%	***	***	***	***
Trend	Indexed	100	95	73	69
Total Indian Demand	%	100%	100%	100%	100%

105. It is seen that the market share of the domestic industry has declined over the injury period, whereas the market share of the subject country has increased significantly from \*\*\*% in the base year to \*\*\*% in the POI.

**D. Employment, Productivity and Wages**

106. Employment, productivity and wages of the domestic industry over the injury period is given in the table below:

<b>Particulars</b>	<b>Unit</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>POI</b>
No. of Employees	Nos	***	***	***	***
Trend	Indexed	100	101	99	92
Productivity per day	MT/Day	***	***	***	***
Trend	Indexed	100	96	101	102
Wages	INR in Crores	***	***	***	***
Trend	Indexed	100	99	102	96

107. It is seen that the number of employees and wages have declined in the POI compared to the base year. The productivity per day has increased marginally in the POI.

**E. Inventories**

108. Inventory position with the domestic industry over the injury period is given in the table below:

<b>Particulars</b>	<b>Unit</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>POI</b>
Inventories	MT	***	***	***	***
Trend	Indexed	100	86	154	157

109. Inventories have increased throughout the injury period, by 57% from the base year to the POI.

**F. Growth**

110. It is seen that growth of the domestic industry in terms of production, capacity utilization and sale have been positive during POI and growth in terms of return on investment was negative in the POI.

<b>Particulars</b>	<b>Unit</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>POI</b>
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Production	%		(***)	***	***
Trend	Indexed		-100	126	31
Domestic Sales	%		(***)	***	***
Trend	Indexed		-100	92	84
Capacity Utilization	%		(***)	***	***
Trend	Indexed		-100	126	31
ROI	%		***	(***)	(***)
Trend	Indexed		100	-598	-142

**G. Factors affecting domestic prices**

111. The Authority considered the import prices from the subject country, change in the cost structure, competition in the domestic market, factors other than dumped imports to assess the factors that might be affecting the prices of the domestic industry in the domestic market.

**H.3.4 Magnitude of Injury and Injury Margin**

112. Non-Injurious Price for the domestic industry has been determined on the basis of principles laid down in the Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The NIP has been considered for comparing the landed price of each PCN from the subject country for calculating injury margin. For determining 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. The production in POI has been calculated considering the best capacity utilisation and the same production has been considered for arriving per unit fixed cost. 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 product under consideration was allowed as pre-tax profit to arrive at the NIP as per the procedure prescribed in Annexure-III. The non-injurious price for each PCN so determined has been compared with the landed prices of imports from the subject country for comparable PCN to determine the injury margin as follows:

### Injury Margin Table

Sr. No.	Country	Producer	Landed Value (USD/MT)	Non-Injurious Price (USD/MT)	Injury Margin (USD/MT)	Injury Margin (%)	Range
1	China	A) Jiangsu Dingsheng New Materials Joint-Stock Co Ltd B) Inner Mongolia Liansheng New Energy Material Co	***	***	***	***	0-10
2	China	Arconic (Kunshan) Aluminum Products Co., Ltd.	***	***	(***)	(***)	Negative
3	China	Granges Aluminium (Shanghai) Ltd.	***	***	(***)	(***)	Negative
4	China	All Others	***	***	***	***	15-25

#### H. 3.5 Other Known Factors and Causal Link

113. As per the AD Rules, the Authority, inter alia, is required to examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the domestic industry. It has been examined below whether factors other than dumped imports could have contributed to the injury to the domestic industry.

##### A. Volume and price of imports from third countries

114. Imports from other countries are at higher than import prices from the subject country or low in volume.

##### B. Export Performance

115. It is seen that domestic industry is largely in the domestic market. In any case, the Authority has considered the data for domestic operations for its injury analysis.

##### C. Development in Technology

116. There are no known material developments in technology over the injury period.

D. Performance of other products of the company

117. The Authority has considered the performance of the domestic industry only in respect of the product under consideration. The injury claimed to the domestic industry is only in respect of the subject goods.

E. Trade Restrictive Practices and Competition between the Foreign and Domestic producers

118. There is no known trade-restrictive practice which could have contributed to the injury to the domestic industry.

F. Contraction in Demand and Changes in the pattern of consumption

119. It is noted that the demand for the subject goods has increased over the injury period.

**I Post Disclosure Statement**

120. The Interested parties offered their comments to the disclosure statement issued by the Authority on 26.08.2021. Most of these comments are repetitive and have already been addressed by the Authority. However, for the sake of clarity, the submissions by the interested parties have been summarised and again addressed as below:

**I.1 Comments from the Domestic Industry**

121. The key comments from the domestic industry are as follows:

- (i) Hindalco, the domestic industry, agrees with the Authority's examination concerning the product under consideration and submitted that none of the products sought to be excluded warrant any exclusion from the scope of the investigation and the Authority must continue with its findings on the PUC. Hindalco has also provided additional clarifications with respect to the various product exclusions requests from the Authority especially with respect to foil stock of width above 1950mm and colour coated products.
- (ii) The domestic industry submits that cooperating producers and exporters from China PR have failed to address the comments placed on record by the domestic industry concerning the deficiencies and excessive confidentiality and requested the Authority to reject the responses of the exporters.
- (iii) The domestic industry submits that the Authority appears to have erroneously noted that the total imports from Malaysia are above 3% but imported below the non-injurious price of the concerned PCNs. The same appears to be a typographical error. The Authority should correct to state that the total imports from Malaysia are above 3% but imported above the non-injurious price of the concerned PCNs.
- (iv) The Authority has erred in calculating the normal value for the producers from China PR. Specifically, the methodology considered by the Authority is not "reasonable" as the Authority ought to have considered facts available, i.e., the calculation provided by Hindalco. None of the Chinese producers rebutted those calculations. Therefore, the Authority should recalculate the normal value based on the "best information available" to it, i.e., the actual cost of production of the input materials as calculated and submitted

by Hindalco. Accordingly, the Authority should recalculate the dumping margin determined for the producers from China PR.

- (v) The domestic industry requests the Authority to disclose detailed NIP calculation worksheets and methodology adopted for determining the non-injurious price. The non-disclosure of the complete workings and methodology adopted by the Authority has impaired the ability of the domestic industry to offer meaningful comments on the NIP determination. Further, the domestic industry requests the Authority to consider the suggested methodology and recalculate the NIP and consequently re-work the injury margin.

## **I.2 Comments from the other interested parties**

122. The comments submitted by exporters/importers/users/associations are mostly repetitive and have already been examined and addressed appropriately in respective paragraphs. However, some of the key points raised by the other interested parties are summarised as below:

- (i) As far as ‘Cladded coil for Tube, Header Plate and End Plate, Unclad Finstock and Unclad Coil’ is concerned, the domestic industry itself has agreed that it has supplied certain material to the interested party in 2016 and that it did not meet the requisite specifications. Further, in the absence of any like article and the absence of any dumping and material injury caused to the DI, none of the factors justify for the imposition of anti-dumping duty on ‘Aluminium-Manganese- Silicon based and/or clad Aluminium-Manganese-Silicon based alloys, whether clad or unclad: with post brazing yield strength greater than 35 MPA, falling under tariff heading 7606 and 7607 for use in heat exchangers including radiators, charge air coolers, condensers, oil coolers, heater cores, evaporators, heat ventilation and air conditioning (HVAC) systems and parts thereof’ from the scope of this investigation.
- (ii) Contrary to the claims made by the domestic industry, it does not produce and sell foil stock of width below 0.3 mm. Hindalco has not been able to supply the product having requisite thickness. Accordingly, users are forced to rely on the import of the product.
- (iii) The domestic industry has not produced and sold Brushed Finish Coil, Mirror Finish Coil and Anodised Coil during the POI. Therefore, the Authority should exclude Brushed Finish Coil, Mirror Finish Coil and Anodised Coil from the scope of the PUC. The product brochure of Hindalco will show that Hindalco is not producing such product types.
- (iv) The domestic industry has also not produced and sold ACP Stock/ACP Mill Finish (ACP) above 1550MM width and the said product above 1550MM width also needs to be excluded from the scope of PUC.
- (v) The disclosure statement shows substantial imports of the product were made at fair prices and the case should be terminated in view of such negative injury margin determined for majority of cooperating producers/exporters. Even the third responding exporter has an injury margin in the range of 0-10% which shows the subject goods have been primarily getting imported at prices comparable to the NIP of the DI and claims of any injury from such imports is totally unsubstantiated.
- (vi) The price undercutting which was positive till the previous year turned negative in the POI. The DI was able to increase its volume and the price determined by the DI was not influenced by the landed price.
- (vii) It is very notable that the losses of the domestic industry extraordinarily increased in the POI when the price undercutting became negative which demonstrates the fact that

- the fall in profits is not triggered by landed price of imports and there is a clear inverse relation between landed price of imports and profitability of the domestic industry indicating existence of serious other factors triggering such losses.
- (viii) In a situation where the DI was able to increase its market share and sell the product without any undercutting effects from the subject imports, the claims of injury from such imports has no basis and the case warrants termination for this factor alone.
  - (ix) Arconic (Kunshan) submits that it is abundantly clear that exports from Arconic (Kunshan) has not caused any injury to the domestic industry.
  - (x) To avoid any ambiguity, the Authority may exclude the products by providing their detailed description and not by mere reference to the customs notification and final findings.
  - (xi) The Authority has noted that the petitioner constitutes 71% of total domestic production and with supporters the Petitioner constitutes 91% of total Indian production and hence the petitioner meets the requirement to constitute the domestic industry under the Rules. These claims need to be verified by the Authority.
  - (xii) The Authority has failed to consider the detailed arguments made by Technova Imaging Systems Private Limited indicating that the domestic industry is not producing Lithograde Aluminium Coils above 1150 MM width in any commercial quantities. There is demand-supply gap for this product.
  - (xiii) Granges Shanghai reiterates the position that Granges Shanghai is operating on market economy principles and should be accorded market economy status. The dumping and injury margin qua Granges Shanghai is negative. Therefore, the Authority should not recommend imposition of any anti-dumping duty on Granges.
  - (xiv) The Authority is requested to note that there is positive growth of domestic industry on critical volume parameters and thus the domestic industry is not suffering any injury due to import of subject goods from China PR. Further, the domestic industry is incurring losses due to high depreciation cost and finance cost, and not due to dumping.
  - (xv) The Authority has failed to disclose NIP in the prescribed range of +/- 10% in terms of Trade Notice No. 10/2018. It is submitted that due to absence of NIP range, the Respondents are unable to make any submission regarding appropriateness of NIP for different PCNs based on their known difference between cost and prices.
  - (xvi) Coils from 80 to 120  $\mu\text{m}$  and coils from 200  $\mu\text{m}$  and above are required to be excluded from the PUC on the grounds that the same have not been produced by Hindalco.
  - (xvii) As far as Coils from 120 to 200  $\mu\text{m}$  are concerned, Hindalco has claimed the production and sale of the same but about 30 consumers who are members of ACP Manufacturer Association contend that Hindalco has not produced and sold the same.
  - (xviii) The Authority has noted in the disclosure statement that the imports from Malaysia are above the de minimis and are imported below the non-injurious price of the domestic industry. Therefore, the Authority must include Malaysia within the scope of the present investigation, or the Authority may at least examine the injury caused due to imports from Malaysia and ensure that the injury caused due to imports from Malaysia is not attributed to imports from China PR.
  - (xix) The Authority may correct names of following exporters in the duty table:
    - a. Jiangsu Dingsheng New Materials Joint-Stock Co., Ltd.
    - b. Hangzhou Dingsheng Import and Export Co., Ltd.
    - c. Dingsheng Aluminium Industries (Hong Kong) Trading Co., Ltd.
    - d. Inner Mongolia Liansheng New Energy Material Co., Ltd.

### **I.3 Examination by the Authority**

123. The analysis and the decision of the Authority on the issues raised above are as below:

- (i) The Authority has already addressed arguments with respect to exclusion of ‘Cladded coil for Tube, Header Plate and End Plate, Unclad Finstock and Unclad Coil’ in relevant paragraphs concerning the scope of the PUC. The other interested parties have not raised any new argument on this issue. The Authority has determined that that quality issues cannot be grounds for exclusion in an antidumping investigation and there is no reason to deviate from this finding.
- (ii) The Authority has already addressed the arguments with respect to exclusion of foil stock of width below 0.3 mm. The interested parties have neither raised any new argument nor provided any new evidence in support of their claim. The Authority has already noted the documentary evidence produced by the domestic industry to show the sale of foil stock below 0.3 mm. This establishes that the domestic industry has the capability to manufacture the product and supply the product during the POI. Therefore, the Authority is not to excluding such a product from the scope of the PUC.
- (iii) It has been argued that (i) Brushed Finish Coil, Mirror Finish Coil and Anodised Coil; and (ii) ACP Stock/ACP Mill Finish (ACP) above 1550MM width should be excluded from the scope of the PUC as the domestic industry has not produced and sold the same within the POI. The Authority notes that the interested parties have not produced any evidence to substantiate their claims whereas on the other hand, the domestic industry has produced sales invoices evidencing the sale of these products. The Authority, therefore, does not exclude (i) Brushed Finish Coil, Mirror Finish Coil and Anodised Coil; and (ii) ACP Stock/ACP Mill Finish (ACP) above 1550MM width from the scope of the PUC.
- (iv) The Authority has determined the injury based on the non-injurious price determined by the Authority and landed value of the imports. Therefore, the arguments that there is no injury or injury in only in the range of 0 to 10% are inconsequential.
- (v) The price undercutting is not the only parameter to assess existence of injury. An assessment of injury is to be done taking into account all relevant economic parameters. The Authority has assessed all relevant parameters to arrive at its conclusions with respect to the existence of injury.
- (vi) The Authority has verified the production figures of the petitioner and has found that it constitutes domestic industry within the meaning of Rule 2(b) of the anti-dumping Rules.
- (vii) The arguments with respect to the exclusion of Lithograde Aluminium Coils above 1150 MM width have already been addressed by the Authority. First, the Authority has verified evidence of supply of Lithograde Aluminium coils beyond 1150 mm and up to 1600 mm width to one of the parties by the domestic industry. Secondly, a possible demand-supply gap does not justify exclusion of the PUC. The interested parties are free to import the product and imports are not prohibited. Thirdly, if the products manufactured by the domestic industry conform to the standards prescribed by relevant governmental authorities, the consumers cannot contend that the product type produced by the domestic industry does not meet the desired standards. Quality issues, in any event, do not justify exclusion and there is no reason for the Authority to deviate from this.

- (viii) The Authority notes submission from Arconic (Kushan) and Granges Sanghai that their respective injury margin is negative and that their exports have not caused injury to the domestic industry.
- (ix) The assessment of existence of injury is based on all the relevant parameters and not on the volume parameters or any other specific parameter alone. The Authority has undertaken a detailed assessment of all relevant parameters to assess the existence of injury to the domestic industry.
- (x) Trade Notice 10/2018 does not apply to the disclosure statements issued by the Authority. As a matter of practice, the Authority does not disclose NIP of a domestic industry to other parties and there is no reason to deviate from such practice in this investigation.
- (xi) As regards the exclusion requests with respect to coils of 80 µm and above are concerned, the interested parties have failed to produce evidence to substantiate their claims. The domestic industry, however, has supplied evidence in the nature of invoices to demonstrate that it has supplied coils of different thicknesses including 100 µm and 300 µm. Therefore, the Authority does not exclude coils above thickness 80 µm from the scope of the PUC.
- (xii) With regards to the landed value of the imports from Malaysia, the Authority clarifies that the landed value of imports from Malaysia is above the NIP of the domestic industry and hence Malaysia is not a subject country.
- (xiii) With respect to exclusion on colour coated, the Authority notes that the domestic industry has given the evidence that it produces the product and engages job workers for merely applying the colour to the products based on the customer specifications. Mere job working with respect to application colour/paint does not warrant exclusion of the product. The domestic industry does not part with title of the goods. In any event, the cost towards color coating is not significant and, therefore, it will be incorrect to say that the domestic industry does not manufacture color coated aluminium coil.
- (xiv) With respect to the exclusion of foil stock above 1950 mm width, the Authority notes that foil stock above 1950 mm width and foil stock below 1950 mm width are like articles. A comparison of their physical and chemical properties and production process shows that they are similar. Their application is also identical, i.e., flexible packaging, 'gutkha' packaging and pharma packaging. There is no material difference in terms of their physical and chemical properties. The interested parties have argued that they require foil stock above 1950 mm to serve its downstream customers requiring foil. Foils are produced from processing foil stock and then are slit into smaller width. The interested parties have argued that foil stock below 2000 mm width leads to wastage as there is no demand for foils below 1000 mm. The interested parties have not adduced any evidence in support of these claims. On the contrary, evidence made available by the domestic industry shows that there is a wide range of foils that are utilised by various end users (i.e., 290 mm to 1626 mm) and such "left over" products clearly have an existing market. There is no "specific" end-use of foil stock with a width above 1950mm. The users have not placed on record any material suggesting products of width above 1950 mm per se have any specific end-use. Therefore, the Authority does not exclude foil stock above 1950 mm width.

## **J Public Interest**

124. The Authority considered whether imposition of the anti-dumping duties shall have any adverse public interest. Specifically, the Authority issued gazette notification inviting views from all the interested parties, including importers, consumers and other

interested parties. The Authority also prescribed a questionnaire for the consumers to provide the relevant information with regard to the present investigation, including the possible effect of the anti-dumping on their operations. The Authority sought information on, inter-alia, interchangeability of the product supplied by various suppliers from different countries, ability of the domestic industry to switch sources, effect of the anti-dumping duties on the consumers, factors that are likely to accelerate or delay the adjustment to the new situation caused by imposition of anti-dumping duties, impact of imposing the present duty. The Authority notes that some consumers filed questionnaire response. The submissions made by the consumers during the course of the investigation have been taken into account. The Authority notes that these interested parties have not shown with verifiable information that the imposition of the anti-dumping duties shall have significant adverse effect either on these consumers or the public at large. The product has been imported from a number of countries. It is seen that a considerable quantity of the product under consideration are being imported from various countries which are not subject to the present investigation. The Authority notes that the import price from the rest of the world is higher than the import price from China. The information provided by the domestic industry shows that the manufacturing facilities of the domestic industry are under-utilised. The domestic industry can cater to the entire demand of the product under consideration. The analysis of the information over the injury period also shows that the selling price of the domestic industry has remained aligned to the import prices. The domestic industry produces a number of different types of products, which share significant production facilities. The overall capacity utilisation of the domestic industry for various products is quite low and clearly shows that the domestic industry is in a position to cater to the demand for the product in the country.

125. The Authority recognizes that the imposition of anti-dumping duties will only create a level playing field between exporters from China PR and the domestic industry. The imposition of anti-dumping measures would remove the unfair advantages gained by dumping practices, prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods. The purpose of antidumping duties, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the consumers and economy as a whole. Imposition of anti-dumping duties, therefore, would not affect the availability of the product to the consumers. The Authority notes that the imposition of the anti-dumping measures would not restrict imports from the subject country in any way, and therefore, would not affect the availability of the product to the consumers.

**K. CONCLUSION ON INJURY & CAUSAL LINK**

126. In view of above, it has been noted that:

- a) The imports of the subject goods from the subject country have increased in absolute terms over the entire period of investigation.

- b) The imports of the subject goods have increased in relation to its consumption in India.
- c) There is price suppression due to low priced dumped imports coming into India.
- d) The market share of the domestic industry has decreased in the POI as compared to the base year even though demand for the subject goods has risen during the same period. This is due to the increase in percentage share of the imports in the total demand of the PUC.
- e) The domestic industry's profits and return on capital employed have been negatively affected in the POI as compared to the base year due to increase in the imports of the subject goods from the subject country in absolute terms during the POI.

## **L. CONCLUSION**

127. After examining the submissions made by the domestic industry and the other interested parties and issues raised therein and considering the facts available on record, the Authority concludes that:

- a) Considering the normal value and export price for the subject goods, dumping margin for the subject goods from the subject country has been determined, and the margin is positive and significant.
- b) The domestic industry has suffered material injury and the injury margin is positive. The examination of the imports of the subject product and the performance of the domestic industry shows that the volume of dumped imports from the subject country has increased in both absolute and relative terms. The volume of the subject goods has increased by more than 60% whereas demand has increased by only 18%. It is also noted that the imports of the subject goods from the subject country are suppressing the prices of the domestic industry. The production and the sales of the domestic industry have remained largely stable in the period of investigation while the capacity utilization remains suboptimal. It is noted that the market share of domestic industry has declined by 12% in the period of investigation whereas market share of the imports from the subject country has increased by 35%. The performance of the domestic industry has significantly deteriorated in respect of profits, cash profits and return on capital employed. The domestic industry has suffered financial losses, cash losses and negative return on investments in the period of investigation.
- c) The material injury suffered by the domestic industry has been caused by the dumped imports.

## **M. RECOMMENDATION**

128. The Authority notes that the investigation was initiated and notified to all the interested parties and adequate opportunity was given to the domestic industry, the exporters, the importers and the other interested parties to provide information on the

aspects of the dumping, the injury and the 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 the dumping and the injury. Therefore, the Authority recommends imposition of the anti-dumping duty on the imports of subject goods originating in or exported from the subject country.

129. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of the anti-dumping duty equal to the lesser of the margin of dumping and the margin of injury so as to remove the injury to the domestic industry. The Authority, therefore, considers it necessary to recommend imposition of the definitive anti-dumping duty equal to the amount mentioned in the column (7), on all imports of the subject goods described at Column (3) of the duty table, originating in or exported from China PR, from the date of notification to be issued in this regard by the Central Government.

#### DUTY TABLE

S. No.	Heading	Description	Country of origin	Country of export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	7606, 7607	Flat Rolled Products of Aluminium*	China PR	Any country including China PR	Jiangsu Dingsheng New Materials Joint-Stock Co., Ltd.	65	MT	USD
2.	7606, 7607	Flat Rolled Products of Aluminium*	China PR	Any country including China PR	Inner Mongolia Liansheng New Energy Material Co., Ltd.	65	MT	USD
3.	7606, 7607	Flat Rolled Products of Aluminium*	China PR	Any country including China PR	Arconic (Kunshan) Aluminum Products Co., Ltd.	NIL	MT	USD
4.	7606, 7607	Flat Rolled Products of Aluminium*	China PR	Any country including China PR	Granges Aluminium (Shanghai) Ltd.	NIL	MT	USD
5.	7606, 7607	Flat Rolled Products of Aluminium*	China PR	Any country including China PR	Any producer other than at serial number 1, 2, 3 & 4	449	MT	USD

S. No.	Heading	Description	Country of origin	Country of export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
6.	7606, 7607	Flat Rolled Products of Aluminium*	Any country other than China PR	China PR	Any producer	449	MT	USD

\*The following products are excluded from the scope of the product under consideration:

- iii. Can-body Stock – also includes Can End Stock (CES) used to make aluminium cans;
- iv. Aluminium Foil up to 80 microns.

**N. FURTHER PROCEDURE**

130. An appeal against the order of the Central Government that may arise out of this recommendation shall lie before the appropriate forum.

(Anant Swarup)  
Designated Authority