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F. No. 6/13/2023-DGTR  
Government of India, Department of Commerce  
Ministry of Commerce & Industry  
(Directorate General of Trade Remedies)  
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Dated: 19.04.2024

NOTIFICATION

PRELIMINARY FINDINGS

Case No. ADD (OI) – 13/2023

**Subject: Anti-Dumping investigation concerning imports of “Telescopic Channel Drawer Slider” originating in or exported from China PR**

F. No. 6/13/2023-DGTR: Having regard to the Customs Tariff Act 1975 as amended from time to time (hereinafter referred 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 thereof, as amended from time to time (hereinafter referred as the ‘AD Rules’ or the ‘Anti-dumping Rules’ or the ‘Rules’).

**A. BACKGROUND OF THE CASE**

1. Highhope Furniture Fittings Manufacturers Associates Pvt Ltd (hereinafter referred to as the “Highhope”) on behalf of number of Indian manufacturers of “Telescopic Channel Drawer Slider” (hereinafter referred to as “subject goods” or “product under consideration”) filed representations before the Designated Authority (hereinafter referred to as the “Authority”) stating that the Chinese producers are exporting the product at a price materially below the normal value, resulting in dumping of the product and the Indian MSME industry is getting materially injured.
2. The Authority took cognizance of the information provided by Highhope and its manufacturer members, and collected import data from customs authority (through DGCI&S) as per Rule 5(4) of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 stated as under:

*“(4) Notwithstanding anything contained in sub-rule (1), the designated authority may initiate an investigation suo motu, if it is satisfied from the information received from the (Principal Commissioner of Customs or Commissioner of Customs, as the case may be), appointed under*

*the Customs Act, 1962 (52 of 1962) or any other source that sufficient evidence exists as to the existence of the circumstances referred to in sub-clause (b) of sub-rule (3).”*

3. The Authority analysed the trend in imports of the product in the country, both in terms of volume and price, corroborated the same with information contained in various representations and ascertained whether there is sufficient *prima facie* evidence that the product under consideration is being exported from China at a price below estimates of normal value, whether the same is causing injury to the Indian industry and whether an antidumping investigation is required to be conducted to ascertain existence, degree and effect of alleged dumping. The Authority also considered the nature of the industry, the degree of dumping, the trend in volume of imports, the import price from China, prevailing prices of principal raw material (stainless steel/mild steel) and information with regard to possible impact on the Indian industry on the basis of information contained in various representations. The Authority called information with regard to imports of the product under consideration from the customs authorities and adopted the same. The Authority found that there was sufficient evidence regarding dumping, injury, and casual link between such dumped imports and the alleged injury, to justify the initiation of an investigation.
4. Having satisfied itself with regard to existence of sufficient evidence regarding dumping, injury, and casual link between such dumped imports and the alleged injury to justify the initiation of an investigation, the Authority *suo-moto* initiated the anti-dumping duty investigation concerning imports of "Telescopic Channel Drawer Slider" from China PR (hereinafter referred to as "the subject country") vide Notification No. 6/13/2023-DGTR dated 20<sup>th</sup> September 2023, published in the Gazette of India, Extraordinary, to determine the existence, degree and effect of the alleged dumping of the subject goods, originating in or exported from the subject country, and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the alleged injury to the domestic industry.

## **B. PROCEDURE**

5. The procedure described below has been followed with regard to the investigation:
  - i) Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide the transaction-wise details of imports of the 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.
  - ii) The Authority issued a public notice dated 20<sup>th</sup> September 2023, published in the Gazette of India, Extraordinary, *suo-moto* initiating an investigation concerning imports of the subject goods originating in or exported from the subject country.
  - iii) The Authority sent intimation to the Tax Research Unit (also referred to as "TRU") of the initiation of the present investigation.
  - iv) The Authority provided a copy of the non-confidential version of the representations to the embassy of the subject country in India, in accordance with Rule 6(3) of the Rules. A copy of the

non-confidential version of the representations was made available to other interested parties, on demand.

- v) The embassy of the subject country in India was requested to advise the producers / exporters in their country to respond to the questionnaire within the prescribed time limit.
- vi) The Authority sent a copy of the initiation notification along with a non-confidential version of the representation to the embassy of the subject country in India, producers and exporters from the subject country, importers / users who registered themselves as interested parties in the present investigation along with the domestic producers as per the information made available to it by Highhope through its representations and requested them to make their views known in writing within the prescribed time limit.
- vii) The Authority forwarded a copy of the public notice to the producers/exporters in the subject country and offered them an opportunity to make their submissions in accordance with Rule 6(2) of the Rules.
- viii) In response to the initiation notification, the following producers/exporters from China PR have responded by filing a questionnaire response through their respective legal representatives:
  - i. Guangdong Dongtai Hardware Precision Manufacturing Co., Ltd
  - ii. Foshan Shunde Daoke Technology Co., Ltd
  - iii. Dongtai Hardware Precision (Hong Kong) Ltd.
  - iv. Foshan Shunde Heqian Precision Manufacturing Co., Ltd
  - v. Guangdong Oula Hardware Technology Co., Ltd
  - vi. Jieyang City Kiki Hardware Industry Co., Ltd
  - vii. Shantou Rongtai Hardware Plastic Factory
  - viii. Jieyang Mingbo Hardware Industry Co., Ltd.
  - ix. Guangzhou Rongtai Hardware Products Ltd.
  - x. Guangdong Hongli Hardware Co., Ltd.
  - xi. Dongguan Litong Precision Slide Manufacturing Co., Ltd.
  - xii. Zhongshan Haibao Precision Hardware Co., Ltd.
  - xiii. Guangdong Taiming Metal Products Co., Ltd
  - xiv. Taiming Advanced Precision Manufacturing Company Ltd
  - xv. Jieyang Zhengbiao Hardware Co., Ltd
  - xvi. Fortune Plus Technology (Guangzhou) Ltd.
  - xvii. Guangdong Jino Hardware Industrial Co., Ltd
  - xviii. Guangzhou Jino Hardware Technology Co., Ltd.
  - xix. Jieyang Zhongxing Hardware Co., Ltd.
  - xx. Lovhom Hardware (Guangzhou) Co., Ltd
  - xxi. Dongguan Topmin Development Co., Ltd.
  - xxii. Hafele Engineering Asia Ltd.
  - xxiii. Foshan Fusaier Metal Products Co. Ltd.
  - xxiv. Zhaoqing City Gaoyao District Kangxun Precision Manufacturing Technology Co., Ltd
  - xxv. Zhaoqing City Gaoyao District Chuangyiyuan Metal Products Co. Ltd.

- xxvi. Guangdong Xingpeng Industrial Co. Ltd.
- xxvii. Eternal Mark Pvt. Ltd.
- xxviii. Eternal Mark Singapore Pte Ltd

6. The Authority sent questionnaires to the importers / users of the subject goods in India, calling for necessary information in accordance with Rule 6(4) of the Rules:
7. In response to the initiation notification, the following importers/users responded by filing a questionnaire response:
  - i. Ebco Private Ltd.
  - ii. Hafele India Pvt Ltd
  - iii. Godrej & Boyce Manufacturing Ltd
  - iv. Sleek Kitchen by Asian Paints
  - v. Sleek International Private Ltd.
8. The period of investigation (POI) for the present investigation is from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023. The injury investigation period for the present investigation is 2019-20, 2020-21, 2021-22 and the POI.
9. The Authority vide para 8 of the initiation notification dated 20<sup>th</sup> September 2023 sought comments on the scope of the product under consideration (or PUC) within 15 days of initiation. The interested parties were further granted an additional time to file comments on PUC and PCN (Product Control Number) methodology till 12<sup>th</sup> October 2023. All interested parties were invited for a discussion on the scope of PUC and PCN methodology on 30<sup>th</sup> October 2023, wherein the Authority directed all stakeholder to exchange their submissions by 10<sup>th</sup> October 2023. The Authority, after considering the submissions made by interested parties, vide notification dated 30<sup>th</sup> November 2023, notified the revised scope of the product under consideration and the PCN methodology that should be followed by the interested parties for filing questionnaire response. All interested parties were directed to file questionnaire responses in accordance with the PCN-methodology, latest by 14<sup>th</sup> December 2023. At the request of some interested parties, the time limit was further extended to 28<sup>th</sup> December 2023.
10. The Authority sought production details from the known producers of the subject goods. The Association made available details of Indian production along with the breakup of production for Indian producers for the entire injury period. Based on the information received, the Authority sampled the following Indian producers for providing costing information for the purpose of determination of Non-Injurious Price (NIP):
  - a. Jenil Techno Industries
  - b. Kiara Slides (India) Pvt. Ltd.
  - c. Slide Tech Industries
  - d. Suketu Enterprise
  - e. Vinayak International

11. The abovementioned domestic producers were directed to provide costing information as per Formats prescribed vide Trade Notice No.: 09/2021 dated 29<sup>th</sup> July 2021, for the purpose of determining injury margin. On receipt of the costing information, it was noted that the sampled producers were producing PUC using mild steel (MS) only and hence the information received did not cover all types of raw materials. Hence, the scope of the sampled producers was enlarged to also include Butterfly Drawer Slide Manufacturing Company as an Indian producer producing the product using stainless steel.
12. The Authority sought further information from the sampled producers to the extent deemed necessary. The desk verification of the data provided by the domestic industry was conducted to the extent considered necessary for the purpose of the present investigation.
13. A list of all the interested parties was uploaded on the DGTR website along with the request to all of them to email the non-confidential version of their submissions to all the other interested parties along with the investigation team.
14. The Non-Injurious Price (NIP) has been determined based on the cost of production and cost to make and sell the subject goods in India based on information furnished by the sampled domestic producers on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules so as to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
15. “\*\*\*\*” in this preliminary finding, represents information furnished by interested parties on confidential basis and so considered by the Authority under the Rules.
16. The exchange rate adopted by the Authority for the subject investigation is US \$1= INR 81.06.

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

#### **C. 1 Views of the other interested parties**

17. The other interested parties have made the following submission with regard to scope of the product under consideration (PUC) and like article:
  - i) The product under investigation in the Initiation Notification has been classified under HS Codes 8302 4110, 8302 4190, 8302 4200, and 8302 4900. The product is not classifiable under HS codes 83024110 and 83024190 as these subheadings cover fittings ‘suitable for buildings’ and ‘doors and windows.’ The product under consideration, however, is not used for buildings, doors, or windows.
  - ii) The following are not covered under the scope of PUC:
    - a) Drawer runners with nylon cylindrical roller: 14 of the domestic producers who filed representations do not have drawer runners with nylon cylindrical roller listed in their product catalogue/ website. They cannot be considered producers of the system if they have imported parts for this system.

- b) Econo Boxes: Econo Boxes that have a simple runner along with side doors that are not facilitated by ball bearings, are not categorised under the scope of PUC.
  - c) Living and bedroom fittings: Living and bedroom fittings such as trouser pull-out, slide mounted tie rack etc. have one component as ball bearing runner but contain many other parts/components and the product in its entirety is different from Channel Drawer and hence cannot be equated with it.
- iii) There are certain product types that are not produced by manufacturers in India. Hence, exclusion of the following is sought:
- a) Undermount slides that are installed on the bottom of the drawers.
  - b) Products of black zinc-plated.
  - c) Soft close slide that enables soft closing of the drawer.
  - d) Slide products made from 201 stainless steel and 304 stainless steel materials.
  - e) Heavy Duty Ball Bearing Slides
  - f) Slides with widths 17mm, 27mm, 30mm, 35mm, 36mm, 40mm, 42mm, 53mm.
  - g) Products with 3-ball, 4-ball, 5-ball, and 6-ball configurations.
  - h) Products with load capacity more than 50 kilograms.
- iv) Push open slides, Steel drawer slides and Computer keyboard ball bearing slides are outside the scope of PUC.
- v) The Authority should specify the type of closing i.e., soft close or hard close, and type of raw material as the parameter for PCN.

### **C. 2 Views of the domestic industry**

18. The domestic industry has made the following submission with regard to the scope of the product under consideration and like article:
- i) The product under consideration in the present investigation is “Telescopic Channel Drawer Slider”. The subject goods do not have a dedicated code and are being imported in several HS codes. The Authority has rightly mentioned in the initiation notification that the product is being imported under several subheadings under the chapter 83, including 83024110, 83024190, 83024200 and 83024900.
  - ii) No product types are required to be excluded from the scope of the product under consideration. The product under consideration is produced in a large number of different shapes, designs, sizes to meet specific end applications. Since the unit used is weight, it is not necessary to differentiate and distinguish different types.

- iii) The product exclusions proposed by the other interested parties are not for different product types, but only different nomenclatures used for the subject goods. All descriptions are included within the scope of product under consideration.
- iv) An illustrative list of the different nomenclatures used to describe the product under consideration is as follows:
- i. telescopic channel
  - ii. drawer slide
  - iii. ball bearing telescopic slide
  - iv. ball bearing telescopic channel
  - v. kitchen drawer slide
  - vi. wardrobe drawer channel
  - vii. drawer runner
  - viii. ball bearing drawer runner
  - ix. side mounting drawer slide
  - x. side mounting drawer channel
  - xi. bed trolley runner
  - xii. pull out channel
  - xiii. single extension channel
  - xiv. side track drawer channel, etc.
- v) Products comparable to drawer runner system of motion technology with nylon cylindrical roller, econo boxes, etc. are manufactured by multiple Indian manufacturers and transacted using different nomenclatures. Nylon cylindrical roller is only a roller mechanism and a bought-out component, which may be of steel or plastic (i.e., PVC or nylon).
- vi) Living and bedroom fittings such as trouser pull-out, slide mounted tie rack etc. are also produced in India. Similarly, products with different ball configurations produced by the Chinese producers are also produced in India.
- vii) Undermount runner of motion technology with nylon cylindrical roller is a product which is installed at the bottom of the drawer. Hence, only the product placement is different and not the product itself. Whether it is placed on the side, or the bottom of the drawer is only a matter of how it is used.
- viii) As regards coating/ plating, closing type and raw material, the Indian industry produces zinc and black coated channel, soft close, push open and standard channel, and also produces channels made of not only mild steel but also stainless steel.

- ix) In addition to this, the Indian manufacturers also manufacture heavy duty slides with high load capacity that can meet the needs when greater loading capacity is required.
- x) Since the demand in India is primarily for 45mm product, the Indian manufacturers focus on production of 45mm style products. Products of 17mm or 27mm width are obsolete and rarely in demand now. In any case, the Indian Industry is well capable of producing products below and beyond 45mm width as size can be altered using the same machines.
- xi) There is no difference in the technology adopted by the domestic industry and that adopted by the producers in the subject country. The technology adopted by the domestic industry is comparable with the technology adopted by the producers of the subject goods in the subject country. However, every producer fine-tunes its production process based on necessities and available facilities.
- xii) The subject goods produced by the domestic industry and imported from the subject country are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. The goods produced by domestic industry are like article to the product under consideration imported from the subject country.
- xiii) The Authority may prescribe PCN based on the following:
  - a) Raw material i.e., mild steel, stainless steel grade 202 and grade 304
  - b) Closing type i.e., soft close/ push open and regular closing
  - c) Load bearing capacity i.e., heavy duty ( $\geq 90$  kg) and other than heavy duty

### C.3 Examination by the Authority

19. The product under consideration (hereinafter also referred to as the "PUC") as defined at the stage of initiation is as follows:

*"4. The product under consideration in the present investigation is "telescopic channel drawer slider", also known as a drawer runner/ channel/ soft close telescopic channel. It is generally used in drawers, which are used for storing things. It is a small device that helps to simplify fluid motion while the drawer is closed and opened. Telescopic channels or runners are an essential component of modern furniture design that enhances the functionality and aesthetics of drawers.*

*5. It consists of two or more interlocking metal sections that extend and retract as the drawer is opened and closed. Telescopic channels or runners are commonly used in furniture, cabinets, and appliances that require easy access to storage space.*

*6. While the product is produced and sold in a number of different size and varieties, essentially these are comparable in terms of weight. The change in size of the product does not materially alter the unit cost of production and selling price (on weight basis)."*

*7. The product under consideration is classified under Chapter 83 of the Customs Tariff Act under subheading 83024110, 83024190, 83024200, and 83024900. The customs classification is only indicative, and not binding on the scope of this investigation.*

20. Some of the interested parties have argued that the product under consideration is not classifiable under HS Code 83024110 and 83024190 and these subheadings cover fittings 'suitable for buildings' and 'doors and windows. The Authority notes that the product under consideration does not have a dedicated HS Code. It is classifiable within 8302. On examination of transaction wise import data from DGCI&S, it is seen that the product under consideration has been imported under various codes, including, 83024110, 83024190, 83024200, and 83024900. While it is for the customs authorities to decide whether the importers have appropriately declared the customs classification, since the Authority defines a product by description, if the said product has been imported under some other HS classification, the Authority is required to not only include the same for the purpose of the proposed determination, but also recommend measures against the same. This is additionally important and necessary for the reason that anti-dumping duty can be charged only if the HS code prescribed by the Authority includes such HS codes.
21. The Authority provided an opportunity to the interested parties to offer comments on the scope of the PUC and PCN methodology wherein certain exclusions were sought by interested parties. The interested parties have sought a number of exclusions. It is however, noted that most of these claims were unsubstantiated. It is not even claim of the interested parties that such products are so different as to render them different product and outside the ambit of the scope of the product under consideration of the present investigations. The interested parties have not even established that these products are not commercially and technically substitutable with the products offered by the domestic industry. It has been noted that all product types for which exclusion has been sought are either being produced by the domestic industry or is not a distinctive product but merely an alternative name for the product under consideration.
22. As regards exclusion sought for drawer runners with nylon cylindrical roller, drawer system of nylon roller, it is noted that these are subject goods which have Nylon cylindrical roller. Nylon cylindrical roller is only a roller mechanism and is a bought-out component. These are being purchased and fitted. Use of different type of roller does not render the product itself as a different product.
23. As regards exclusion of undermount slides, the Authority notes that these are also channel drawer slider. Undermount slides are channel drawer slider with difference in placement of the subject goods, i.e., underneath the drawer. In any case, the domestic producers are also producing the subject goods and selling the same in the market.

24. As regards coated/ plated subject goods, it is noted that the domestic producers also produce zinc and black coated subject goods.
25. As regards heavy duty sliders and heavy-duty ball bearing slides, the Authority considers that these are just different variant of the product with difference in load bearing capacity of the goods. The Indian industry is also producing and selling high load bearing subject goods.
26. As regards soft close, push open etc., it is noted that these are merely different opening and closing mechanism attached to the subject goods. Use of these mechanism do not render these products as dislike article. Further, the domestic producers also manufacture these variants and hence are not required to be excluded from the scope of the product under consideration.
27. As regards varied width of channel drawer, it is noted that the commonly used subject goods have a width of 45mm. Production of the product with different widths merely requires tooling adjustments. Any producer can adjust the machinery and produce different sizes.
28. As regards difference between subject goods with 3-ball, 4-ball, 5-ball, and 6-ball configurations, the Authority notes that it is only about placement of number of ball bearings. These can be adjusted by the producers based on the requirement of the customers. The domestic industry also produces these variants of the product under consideration.
29. As regards econoboxes, it is noted that the domestic industry has not been able to show sales of such product type or a comparable product type. Thus, the Authority provisionally holds that econoboxes are excluded from the scope of product under consideration.
30. The Authority sought comments on the PCN methodology from the interested parties. The interested parties were called for physical interactions, so that conflicting views could be presented by the interested parties, and rebuttals offered. The interested parties were also allowed opportunity to give their submissions in writing after the interactions held with these interested parties.
31. After considering the submissions made by the domestic industry and interested parties, the Authority noted that steel is the main raw material used for production of telescopic channel drawer slider affecting the cost and price of the subject goods. Further, the product can be produced using mild steel or stainless steel or some other material. The product carries significant difference in costs depending on the raw material used. Accordingly, following PCN was finalised and notified to the interested parties vide notice no. 6/13/2023-DGTR dated 30.11.2023, a copy of which was also placed on the website of the DGTR.

S.N.	Parameter	PCN	Code
1	Channel made of Mild Steel	MS	MS
2	Channel made of Stainless Steel	SS	SS
3	Channel made of Other Material	OS	OS

32. The Authority notes that the like article produced by the domestic industry and the product under consideration imported from the subject country is comparable in terms of physical & chemical characteristics, functions & uses, product specifications, pricing, distribution & marketing, and tariff classification of the goods. The goods produced by the domestic industry and imported from the subject country are like articles in terms of the Rules. The two are technically and commercially substitutable. The Authority provisionally holds that the subject goods produced by the domestic industry are like article to the product under consideration imported from the subject country within the scope and meaning of Rule 2(d) of Anti-Dumping Rules.

#### **D. SCOPE OF DOMESTIC INDUSTRY & STANDING**

##### **D.1 Views of the other interested parties**

33. The other interested parties have made the following submissions with regard to scope of the domestic industry and standing:

- i) An association can file an application as per Rule 2(c) of the Rules, but it is required to provide evidence along with the application to substantiate that they qualify to be an interested party in terms of Rule 2(c)(ii).
- ii) Highhope cannot be considered as an eligible association as they have not submitted the requisite information like a copy of registration certificate, memorandum of association, list of members who supported, opposed or remained neutral, etc. which is important to ascertain the standing of the domestic industry.
- iii) Neither the association nor the Authority has provided any information about the companies to be considered as eligible domestic industry based on which the examination can be done.
- iv) Rule 5(4) of the Rules needs to be read along with Rule 5(3). Once the Authority initiates a *suo-moto* investigation under Rule 5(4), it is still required to fulfil all the requirements of determination of domestic industry, working out the standing of domestic industry, etc.
- v) As per the post initiation submissions, the Authority communicated the list of sampled producers which have been considered to constitute the "domestic industry" under Rule 2(b).
- vi) No information has been given regarding when the sample selection took place, what was the methodology followed by the Authority in selecting the sampled producers. The other interested parties have been deprived of the opportunity to comment on the process adopted.

- vii) The alleged "supporters" have not provided information as required to be submitted and thus they should not be treated as supporters.

#### D.2 Views of the domestic industry

34. The domestic industry has made the following submissions with regard to scope of the domestic industry and standing:

- i) The association and several manufacturers representing the Indian manufacturers of Telescopic Channel Drawer Slider filed representations before the Designated Authority stating that the industry in India is getting injured in view of increase in dumped imports of the subject goods from China PR.
- ii) The industry is highly fragmented and consists of a large number of domestic producers belonging to the MSME category. Highhope represents 25 of the producers of the subject goods in India.
- iii) On production details from the known producers of the subject goods in India being sought by the Authority, the association provided a statement of Indian production to the extent the data was available. The production data of members of the association was given in respect of 17 responding members. These companies collectively command more than 50% of eligible domestic production.
- iv) The Association also filed post-initiation submissions on behalf of the members of the association. Following companies, sampled by the Authority and considered to be constituting domestic industry, filed costing and injury information along with post initiation submissions:
  - a) Jenil Techno Industries
  - b) Slide Tech Industries
  - c) Suketu Enterprise
  - d) Kiara Sliders (India) Private Ltd.
  - e) Vinayak Slide LLP

#### D.3 Examination by the Authority

35. Rule 2(b) of the AD 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"*

36. The Authority received representations from 25 companies seeking remedy from dumped and injurious imports. The list of 25 members of Highhope engaged in the production of PUC is as under:

- i. Advanced Technologies
- ii. Aggarwal Plywood Industries
- iii. Almetal Industries
- iv. Anirved Industries
- v. Arrowin Metaltech (I) Pvt. Ltd.
- vi. Butterfly Drawer Slide Manufacturing Company
- vii. Eisen Hardware Solutions Pvt. Ltd.
- viii. Glidox Hardware
- ix. Glorious Group of Company
- x. Hardwell Industries
- xi. Jenil Techno Industries
- xii. Khetan Udyog
- xiii. Kiara Sliders (India) Private Ltd.
- xiv. Krinapal Hardware LLP
- xv. Park wood
- xvi. Parko Hardware LLP
- xvii. Rajendra Engitech LLP
- xviii. Rajhans Technocraft
- xix. Rajkot Everwin Hardware LLP
- xx. Reno Slide Venture Pvt. Ltd.
- xxi. Slide Tech Industries
- xxii. Suketu Enterprise
- xxiii. Sun Plastics
- xxiv. Vinayak International
- xxv. Vision Slide LLP

37. These representations *inter-alia* contended information on the following:

- a. Product under consideration, different forms, type/size, manufacturing process, etc.
- b. Details of domestic producers of the product in India
- c. Estimates of cost of production
- d. Imports of the product in India
- e. Injury to the Indian industry as a result of dumping in the Country
- f. Whether injury was due to dumping

38. Even though these parties did not file the application in the form and manner prescribed by the Authority, these representations nevertheless contained information required under Rule 5(3). Further, the Authority took cognizance of the fact that producers of the product under consideration in India are MSMEs and the industry is fragmented.

39. The Authority therefore initiated the present investigation *suo-moto* having regard to the contents of these representations and after *prima facie* satisfying on the accuracy and adequacy of information contained in these representations.
40. The association quantified production of above 25 producers as \*\*\* MT.
41. Post initiation of the investigation, the Authority directed the applicant associations to provide injury and other information in accordance with the Rules in respect of domestic producers of the product under consideration in India. In response, the following companies provided their injury information. as prescribed vide Trade Notice No.: 09/2021 dated 29 July, 2021:
- i. Advanced Technologies
  - ii. Aggarwal Plywood Industries
  - iii. Almetal Industries
  - iv. Anirved Industries
  - v. Arrowin Metaltech (I) Pvt. Ltd.
  - vi. Butterfly Drawer Slide Manufacturing Company
  - vii. Eisen Hardware Solutions Pvt. Ltd.
  - viii. Glidox Hardware
  - ix. Glorious Group of Company
  - x. Hardwell Industries
  - xi. Jenil Techno Industries
  - xii. Khetan Udyog
  - xiii. Kiara Sliders (India) Private Ltd.
  - xiv. Krinapal Hardware LLP
  - xv. Park wood
  - xvi. Parko Hardware LLP
  - xvii. Rajendra Engitech LLP
  - xviii. Rajhans Technocraft
  - xix. Rajkot Everwin Hardware LLP
  - xx. Reno Slide Venture Pvt. Ltd.
  - xxi. Slide Tech Industries
  - xxii. Suketu Enterprise
  - xxiii. Sun Plastics
  - xxiv. Vinayak International
  - xxv. Vision Slide LLP
42. The Authority received submission from Dorset Industries Pvt. Ltd., who identified itself as an importer of Telescopic Channel Drawer Slider and a potential domestic producer. The company

expressed support for the anti-dumping investigation and has requested imposition of anti-dumping duties on subject imports.

43. Interested parties have argued that the association cannot be considered as an eligible association, as they have not submitted the requisite information like a copy of registration certificate, memorandum of association, list of members who supported, opposed or remained neutral, etc. which is important to ascertain the standing of the domestic industry prior to initiation.
44. It is noted that the present investigation was *suo-moto* initiated by the Authority based on multiple representations received from several Indian producers of the subject goods and their association. Thus, the information typically required for a formal application was not necessary before starting the investigation.
45. Further, the producers, who have filed injury information collectively account for more \*\*\*% of the total Indian production. The application is thus deemed to have been filed on behalf of the domestic industry. Domestic producers who have provided injury data account for a major proportion in the domestic production in India. It is noted that the producers are not related to any exporter or importer of subject goods in India. The Authority, therefore, holds that the 25 producers as mentioned above that have provided their injury information constitute domestic industry under Rule 2(b) of the Rules.
46. Further, these producers have not imported the subject goods nor are they related to importers or exporters thereof. Thus, the sampled domestic producers constitute eligible domestic industry within the meaning of Rule 2(b) and also satisfies the criteria of standing in terms of Rule 5(3) of the AD Rules.

## **E. CONFIDENTIALITY**

### **E.1 Views of the other interested parties**

47. The other interested parties have made the following submissions:

- i) Post issuance of initiation notification, the applicant should be asked to provide an updated non-confidential version of the application. The association has not provided sufficient information in the non-confidential version of the representations. The representations do not even contain indexed numbers for the data claimed confidential.
- ii) The petitioners have not disclosed the exact source of import data adopted for assessment of volume and value of subject imports.
- iii) The non sampled producers who have been projected as supporters in the subject investigation have not filed the basic information concerning their economic parameters leave aside any non-confidential version.

- iv) The petitioners have not disclosed the import segregation methodology employed. Further, imports of PUC are made in sets and pairs. The petitioners have also not disclosed the conversion base for converting the data from sets, pairs or pieces to weight in kg or MT.
- v) The petitioners have not provided documents like registration certificate, memorandum of association, list of association members, etc. that are vital for the petitioner association to furnish.
- vi) The petitioners have not provided a write-up on the manufacturing process of the PUC even though there are more than two producers, and the process is generic and well known. Similarly, the petitioners have also not provided aggregated information regarding its economic parameters but only provided the data in indexed form.

### **E.2 Views of the Domestic Industry**

48. The domestic industry has not made any submissions with regard to confidentiality.

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

49. The Authority made available the non-confidential version of the information provided by the various parties to all the other interested parties as per Rule 6(7).
50. With regard to confidentiality of the information, Rule 7 of the Rules provides as follows:

*“7. 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 interested parties providing information on confidential basis to furnish nonconfidential 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.”*

51. The information provided by the interested parties on confidential basis was examined with regards to sufficiency of such claims. 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, the parties providing information on confidential basis were directed to provide sufficient nonconfidential version of the information filed on confidential basis. The Authority also notes that all interested parties have claimed their business-related sensitive information as confidential.

52. As regards the source of import data used by the association is concerned, the Authority notes that the association has specified the source of data as market intelligence. The Authority has considered DGCI&S transaction wise data for the purpose of the present investigation.

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

### **F.1 Views of the other interested parties**

53. No submission has been made by other interested parties with regards to the normal value, export price and dumping margin.

### **F.2 Views of the domestic industry**

54. The submissions of the domestic industry with regards to the normal value, the export price and the dumping margin, are as follows:
- i) China should be considered as a non-market economy, in line with the position taken by the Authority in previous cases, and by the investigation authorities in other countries. Chinese producers' costs and prices cannot be relied upon for the determination of normal value.
  - ii) The Authority shall follow Para 1-6 of Annexure I for the determination of normal value only if the Chinese companies establish that their costs and price information is such that individual normal value and dumping margin can be determined. If the Chinese companies are not able to demonstrate that their costs and price information can be adopted, the Designated Authority shall reject the claim of individual dumping margin.
  - iii) Paragraphs 1 to 6 of Annexure I of the Rules do not apply to the computation of normal value for imports from China PR, unless a producer/exporter shows sufficient evidence that he is operating under market economy conditions. As a result, the normal value for China PR has to be determined in terms of Para 7 of Annexure I of the Rules.
  - iv) Relevant data was not available for the price in a market economy third country and constructed value in a market economy third country. The price from a third country to other country, including India could also not be considered as subject goods are majorly being imported into India from China PR. Further, since there are multiple codes under which the PUC is being transacted, the Authority may call for transaction wise data and if it finds any country appropriate for determination of normal value, the Authority may consider imports from such source.
  - v) The normal value has been constructed based on the estimates of cost of production in India, after addition for selling, general & administrative expenses. Due adjustments were made to this price to include conversion costs based on the domestic industry's information, a reasonable profit

margin and SGA.

- vi) Export price must be determined considering volume and value of imports for the period of investigation adopted from the published DGCI&S data after due adjustments are made to determine the ex-factory price.
- vii) The dumping margin is not only above the *de minimis* levels, but also significant for the subject country.

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

#### **Determination of 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 meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or*
- ii. *when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-*

*(a) comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or*

*(b) the cost of production of the said article in the country of origin along With reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):*

*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.*

56. 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.*
- (iii) 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.*
- (iv) 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.*
- (v) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event; the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector. "*

57. It is noted that while the provisions contained in Article 15(a)(ii) have expired on 11.12.2016. However, the provisions under Article 2.2.1.1 of the WTO read with obligation under 15 (a) (i) of the Accession protocol require the criterion stipulated in para 8 of Annexure I of India's AD Rules to be satisfied through the information/data to be provided in the supplementary questionnaire for claiming the market economy status.

58. At the stage of initiation, the Authority proceeded as per the information given by some of the domestic producers on the cost of production of subject goods with due addition of SGA and profits. Upon initiation, the Authority advised the producers/ exporters in China PR to respond to the notice of initiation and provide information relevant to determination of their market economy status. The Authority sent copies of the supplementary questionnaire to all the known producers/ exporters for rebutting presumption of non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules and furnish relevant detailed information. The Authority also requested Government of China PR to advise the producers/ exporters in China PR to provide the relevant information.
59. None of the exporters/producers contested the NME status of China. Thus, in view of the above position and in the absence of rebuttal of the non-market economy presumption by any Chinese exporting company, the Authority, considers it appropriate to treat China PR as a non-market economy country in the present investigation and proposes to proceed with para 7 of Annexure-I to the Rules for determination of normal value in case of China PR
60. Para 7 of Annexure I of the Rules reads as under:

*"In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted, if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments."*

61. Para 7 lays down a hierarchy for determination of normal value and provides that normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other country, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted, if necessary, to include a reasonable profit margin. Thus, the Authority notes that the normal value is required to be determined having regard to the various sequential alternatives provided under Annexure 7. There is no evidence of price or constructed value prevailing in market economy third country brought forward by any interested party. Apart from the subject country in the present investigation, imports into India from other countries are low in volume. Thus, imports into India from

market economy third country could not be considered for determination of normal value. The normal value could not be based on the price from a market economy third country to other country, as the subject good does not have dedicated customs classification.

62. Therefore, the Authority has thus constructed normal value for the subject imports in China as “price actually payable in India” as stipulated in para 7 of Annexure – I to the AD Rules, 1995. It has been computed based on the cost of production of the domestic industry, with reasonable addition for selling, general and administrative expenses, and profits. The constructed normal value so determined is given below in the dumping margin table.

#### Determination of Export Price

63. Following producers/exporters from China PR participated in the present investigation and filed questionnaire response. The responses by these producers/exporters have been examined hereunder:

- i. M/s. Dongguan Litong Precision Slide Manufacturing Co., Ltd through Dongguan Topmin Development Co. Ltd.; Hafele Engineering Asia Ltd., Hongkong (EHK); Hafele India Private Ltd., India

64. M/s. Dongguan Litong Precision Slide Manufacturing Co., Ltd. (also referred to as “Litong”) is a producer of the subject goods in China PR and has exported the subject goods to India via trader in China, namely, Dongguan Topmin Development Co. Ltd., who has further exported the goods to India via another trader, namely, Hafele Engineering Asia Ltd. (EHK). EHK has exported subject goods to Hafele India Private Ltd., a related party in India, who has sold to unrelated customers in India. All the three companies, namely, Dongguan Litong Precision Slide Manufacturing Co., Ltd., Dongguan Topmin Development Co. Ltd. and Hafele Engineering Asia Ltd. have provided the relevant information in the prescribed exporters questionnaire format.

65. As per the questionnaire response, Dongguan Litong Precision Slide Manufacturing Co., Ltd. has exported \*\*\* Kg through the trade channel referred.

66. As per the response filed, it is seen that Hafele Engineering Asia Ltd. has not filed with its response the methodology adopted by it for conversion of the volume of subject goods sold in terms of SETs to the unit of measurement adopted by the Authority for the present investigation, i.e., KG.

67. Further, Hafele Engineering Asia Ltd. has exported \*\*\* Kg of subject goods to India during the POI. The Authority has correlated the volume reported by the exporter with the DG Systems data. It is seen that the volume reported by the exporter is significantly different from the volume reported by DG Systems Data. There is notable disparity between the data reported by Hafele Engineering Asia Ltd. and that reported in the DG Systems Data. Thus, the Authority provisionally holds that pending detailed investigation, and verification, the information submitted by Litong cannot be considered for the

purpose of the determination of dumping and injury margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**ii. M/s. Foshan Fusaier Metal Products Co. Ltd**

68. M/s. Foshan Fusaier Metal Products Co. Ltd. (also referred to as "Fusaier") is a producer in the subject country and has directly exported the subject goods to India. Fusaier has provided the relevant information in the prescribed exporters questionnaire format.
69. As per the response filed by Fusaier, it has produced and exported \*\*\* Kg of subject goods to unrelated customers in India during the POI. The Authority has correlated the volume reported by the producer with the DG Systems data. It is seen that the volume reported by the producer is significantly different from the volume reported by DG Systems Data. The volume reported by the producer is underreported by \*\*\* kgs.
70. Further, Fusaier has not filed with its response the methodology adopted by it for conversion of the volume of subject goods sold in terms of SETs to the unit of measurement adopted by the Authority for the present investigation, i.e., KG.
71. It is further seen that there is variation among the weight per set for multiple products with the same product description. Thus, the Authority provisionally holds, pending detailed investigation, and verification, that the information cannot be considered as filed by the producer/exporter for the purpose of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**iii. M/s. Foshan Shunde Daoke Technology Co., Ltd. through Guangdong Dongtai Hardware Precision Manufacturing Co., Ltd**

72. Foshan Shunde Daoke Technology Co., Ltd is a producer of the subject goods in China PR and has exported the subject goods to unrelated customers in India via its related trader in China, namely, M/s. Guangdong Dongtai Hardware Precision Manufacturing Co., Ltd (also referred to as "Hong Kong Dongtai").
73. Foshan Shunde Daoke Technology Co., Ltd. has exported \*\*\* Kg of the subject goods to India during the POI. Hong Kong Dongtai has also provided relevant information in the prescribed exporters questionnaire format, which is separately examined in this Notification.

**iv. M/s. Foshan Shunde Heqian Precision Manufacturing Co., Ltd**

74. Foshan Shunde Heqian Precision Manufacturing Co., Ltd. is a producer in the subject country and has exported subject goods to India directly during the POI.
75. As per the response filed, it has produced and exported \*\*\* Kg of subject goods to unrelated customers in India during the POI. The Authority has correlated the volume reported by the producer with the DG Systems data as well. It is seen that the volume reported by the producer is different from the volume reported by DG Systems Data. There is a mismatch of \*\*\* kg between the volume reported by the producer and that reported in the DG Systems Data.
76. Further, Fusaier Shunde Heqian Precision Manufacturing Co., Ltd. has not filed with its response the methodology adopted by it for conversion of the volume of subject goods sold in terms of SETs to the unit of measurement adopted by the Authority for the present investigation, i.e., KG. It is further seen that there is variation among the weight per set for multiple products with the same product description. Thus, the Authority provisionally holds, pending detailed investigation, and verification, that the information cannot be considered as filed by the producer/exporter for the purpose of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**v. M/s. Guangdong Dongtai Hardware Precision Manufacturing Co., Ltd and Dongtai Hardware Precision (Hong Kong) Ltd.**

77. Guangdong Dongtai Hardware Precision Manufacturing Co., Ltd has produced subject goods and has directly exported the PUC to India. It has also exported subject goods to India indirectly via M/s Dongtai Hardware Precision (Hong Kong) Ltd. Further, Dongtai Hardware Precision (Hong Kong) Ltd. has also exported goods procured from Foshan Shunde Daoke Technology Co., Ltd, who has also provided the relevant information in the prescribed exporters questionnaire format which is separately examined in this Notification.
78. Guangdong Dongtai Hardware Precision Manufacturing Co., Ltd has directly exported \*\*\* Kg and indirectly exported \*\*\* Kg of the subject goods to unrelated customers in India. The Authority has correlated the volume reported by the producer with the DG Systems data. It is seen that the volume reported by the producer for direct exports is different from the volume reported by DG Systems Data. The volume reported by the producer is mismatched by \*\*\* kg.
79. Further, the volume reported by the exporter, Dongtai Hardware Precision (Hong Kong) Ltd., is also significantly different from the data reported in DG Systems data. The volume reported by the producer is mismatched by \*\*\* kg. Thus, the Authority provisionally holds, pending detailed investigation, and verification, that the information cannot be considered as filed by the producer/exporter for the purpose

of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**vi. M/s. Guangdong Hongli Hardware Co., Ltd through Hafele Engineering Asia Ltd. (trader) to Hafele India Private Ltd., India**

80. Guangdong Hongli Hardware Co., Ltd. is the producer in the subject country and has sold the subject goods to India through Hafele Engineering Asia Ltd. who has further exported to its related entity in India i.e., Hafele India Private Ltd. It is seen that Hafele India Private Ltd. has also filed response to the User/ Importer Questionnaire wherein it has reported having sold the goods to unrelated customers in India.

81. Guangdong Hongli Hardware Co., Ltd. with its response has not filed Appendix-3A, i.e., information relating to direct sales of the company for exports to India, claiming that it has not made any exports to India directly. However, from the DG Systems data, it is seen that Guangdong Hongli Hardware Co., Ltd. has indeed made direct exports to India which have not been reported by the producer in its response to the questionnaire. Thus, the Authority provisionally holds pending detailed investigation, and verification, that the information cannot be considered as filed by the producer/exporter for the purpose of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**vii. M/s. Guangdong Jino Hardware Industrial Co., Ltd; Guangzhou Jino Hardware Technology Co., Ltd. and LovHom Hardware (Guangzhou) Co., Ltd**

82. Guangdong Jino Hardware Industrial Co., Ltd. (also referred to as "Jino Industrial") is a producer of the subject goods in China PR and has exported the subject goods to unrelated customers in India through its related companies Guangzhou Jino Hardware Technology Co., Ltd. (also referred to as "Jino Technology") and LovHom Hardware (Guangzhou) Co., Ltd. (also referred to as "LovHom"). Both the traders/ exporters i.e., Jino Technology and LovHom have also purchased subject goods from unrelated producer Jieryang Zhongxing Hardware Co., Ltd.

83. The Authority has correlated the data reported by the exporters with the DG Systems data, it is seen that the two exporters have indeed made direct exports to India. However, the volume reported by Jino Technology and LovHom in its response to the questionnaire and the volume reported by DG Systems Data do not match. There is a difference of \*\*\* Kg between volume reported by Jino Technology and the DG Systems data and a difference of \*\*\* Kg between the volume reported by LovHom and the DG Systems data. Thus, the Authority provisionally holds, pending detailed investigation, and verification, that the information cannot be considered as filed by the producer/exporter for the purpose of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**viii. M/s. Guangdong Oula Hardware Technology Co., Ltd.**

84. Guangdong Oula Hardware Technology Co., Ltd. (also referred to as "Oula") is a producer of the subject goods in China PR and has directly exported to unrelated customers in India.

85. As per the response filed, it has produced and exported \*\*\* Kg of subject goods to unrelated customers in India during the POI. The Authority has correlated the volume reported by the producer with the DG Systems data as well. It is seen that the volume reported by the producer is different from the volume reported by DG Systems Data. There is a mismatch of \*\*\* kg between the volume reported by the producer and that reported in the DG Systems Data.

86. Further, Oula in its response has reported sales volume in terms of sets and number of pieces without providing a conversion rate to calculate the sales quantity in terms of weight i.e., the unit of measurement adopted in the present investigation. Thus, the export price could not be determined and the Authority provisionally holds, pending detailed investigation, and verification, that the information cannot be considered as filed by the producer/exporter for the purpose of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**ix. M/s. Guangdong Taiming Metal Products Co., Ltd.**

87. Guangdong Taiming Metal Products Co., Ltd. (also referred to as "Guangdong Taiming") is a producer of the subject goods in China PR and has exported to unrelated customers in India via its subsidiary Taiming Advance Precision Manufacturing Company Ltd. (also referred to as "Taiming Advance").

88. As per the response filed, however, it is seen that Taiming Advance has exported \*\*\* Kg of subject goods to India during the POI. The Authority has correlated the volume reported by the exporter with the DG Systems data as well. It is seen that the volume reported by the exporter is significantly different from the volume reported by DG Systems Data. There is notable disparity between that data reported by Taiming Advance and that reported in the DG Systems Data. Thus, the Authority provisionally holds that, pending detailed investigation, and verification, that the information cannot be considered as filed by the producer/exporter for the purpose of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**x. M/s. Guangdong Xingpeng Industrial Co. Ltd.**

89. Guangdong Xingpeng Industrial Co. Ltd. is a producer who has directly exported the subject goods to India and also exported through Eternal Mark Pvt. Ltd. (Hong Kong) and Eternal Mark Singapore Pte Ltd.
90. Eternal Mark Singapore Pte Ltd also made purchases from Haihui, a producer of the subject goods in China PR, that has not responded to the questionnaire response.
91. As per the response filed, Guangdong Xingpeng Industrial Co. Ltd., Eternal Mark Pvt. Ltd. (Hong Kong) and Eternal Mark Singapore Pte Ltd. have respectively exported \*\*\* Kg, \*\*\* Kg and \*\*\*Kg of subject goods to India during the POI. The Authority has correlated the volume reported by the exporters with the DG Systems data as well. It is seen that the volume reported by the exporter is significantly different from the volume reported by DG Systems Data. There is notable disparity between that data reported by Guangdong Xingpeng Industrial Co. Ltd. and Eternal Mark Singapore Pte Ltd. and that reported in the DG Systems Data. It is further seen that the volume reported by the Eternal Mark Pvt. Ltd (Hongkong) is underreported by \*\*\* Kg. Thus, the Authority provisionally holds that, pending detailed investigation, and verification, that the information cannot be considered as filed by the producer/exporter for the purpose of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**xi. M/s. Jieyang City Kiki Hardware Industry Co., Ltd.**

92. Jieyang City Kiki Hardware Industry Co., Ltd. (also referred to as "Kiki") is a producer and has exported the subject goods to India directly during the POI.
93. As per the response filed by Kiki, it has produced and exported \*\*\* Kg of subject goods to unrelated customers in India during the POI. The Authority has correlated the volume reported by the producer with the DG Systems data as well. It is seen that the volume reported by the producer is significantly different from the volume reported by DG Systems Data. There is a disparity of \*\*\* Kg between the volume reported by the producer and that appearing in the DG Systems Data. Thus, the Authority provisionally holds, pending complete verification, that the information cannot be considered as filed by the producer/exporter for the purpose of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**xii. M/s Jieyang Mingbo Hardware Industry Co., Ltd.**

94. Jieyang Mingbo Hardware Industry Co., Ltd. (also referred to as Jieyang Mingbo) is a producer of subject goods in China PR who exported the subject goods to India via its unrelated trading company Guangzhou Rongtai Hardware Products Ltd. (also referred to as "Guangzhou Rongtai") The unrelated exporter i.e., Guangzhou Rongtai has also exported to India subject goods purchased from its related

producer Shantou Rongtai Hardware Plastic Factory (also referred to as "Shantou Rongtai"). Both Guangzhou Rongtai and Shantou Rongtai have provided relevant information in the prescribed exporters questionnaire format which is separately examined in this Notification.

**xiii. M/s. Jieyang Zhengbiao Hardware Co., Ltd.**

95. Jieyang Zhengbiao Hardware Co., Ltd is a producer in China PR who has indirectly exported the subject goods to unrelated customers in India, i.e., through Fortune Plus Technology (Guangzhou) Ltd., an exporter/ trader.

96. As per the response filed by Fortune Plus, it has exported \*\*\* Kg of subject goods to India during the POI. The Authority has correlated the volume reported by the producer with the DG Systems data as well. It is seen that the volume reported by the producer varies from the volume reported by DG Systems Data. The volume reported by the producer is underreported by \*\*\* Kg.

97. It has further been noted that Fortune Plus in its response has also reported having exported subject goods to India purchased from other unrelated producers/ suppliers. As per the Appendix-2 filed by Fortune Plus, indicating details of product under consideration purchased from other producers/ suppliers and exported to India, the other unrelated producers/ suppliers are Foshan Nanhai, Jieyang Jinnan and Jieyang Liandersheng. Such producers/ suppliers have not filed response to the exporter questionnaire response thus rendering the supply chain incomplete. Thus, the Authority provisionally holds, pending detailed investigation, and verification, that the information cannot be considered as filed by the producer/exporter for the purpose of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**xiv. M/s. Jieyang Zhongxing Hardware Co., Ltd.**

98. Jieyang Zhongxing Hardware Co., Ltd. (also referred to as Zhongxing) is a producer of the subject goods in China PR. Zhongxing has exported the subject goods to unrelated customers in India through Guangzhou Jino Hardware Technology Co., Ltd. (also referred to as Jino Technology) and LovHom Hardware (Guangzhou) Co., Ltd. (also referred to as LovHom).

99. However, considering the difference between volume reported by Jino Technology and LovHom and the data appearing in the DG Systems data, the Authority provisionally holds pending detailed investigation, and verification, that the information cannot be considered as filed by the producer/exporter for the purpose of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**xv. M/s. Shantou Rongtai Hardware Plastic Factory**

100. Shantou Rongtai Hardware Plastic Factory (also referred to as Shantou Rontai) is a producer of subject goods in China. During the POI, Shantou Rongtai produced and sold the PUC to its related exporter Guangzhou Rongtai Hardware Products Ltd. (also referred to as Rongtai). It is seen that during the POI, Rongtai also purchased the PUC from an unrelated producer Jieyang Mingbo Hardware Industry Co., Ltd. and resold them to India.
101. As per the response filed by Rongtai, it has produced and exported \*\*\* Kg of subject goods to unrelated customers in India during the POI. The Authority has correlated the volume reported by the producer with the DG Systems data as well. It is seen that the volume reported by the producer is significantly different from the volume reported by DG Systems Data. There is a mismatch of \*\*\* kg between the volume reported by the exporter and that reported in the DG Systems Data. Thus, the Authority provisionally holds pending detailed investigation, and verification, that the information cannot be considered as filed by the producer/exporter for the purpose of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**xvi. M/s. Zhaoqing City Gaoyao District Kangxun Precision Manufacturing Technology Co. Ltd**

102. Zhaoqing City Gaoyao District Kangxun Precision Manufacturing Technology Co. Ltd. (also referred to as Kangxun) is a producer of the subject goods. Kangxun has exported the subject goods through its affiliate Zhaoqing City Gaoyao District Chuangyiyuan Metal Products Co., Ltd. (also referred to as Chuangyiyuan).
103. As per its response, Chuangyiyuan has exported \*\*\* Kg of subject goods to unrelated customers in India during the POI. It is noted that the exporter has supplied only \*\*\* MT PUC during the POI as against 46,276 MT total imports into India, thus constituting only \*\*\*% of total imports into India.
104. The producer/ exporter has not filed with its response the methodology adopted by it for conversion of the volume of subject goods sold in terms of SETs to the unit of measurement adopted by the Authority for the present investigation, i.e., KG. It is further seen that there is significant variation among the weight per set for various transactions with the same product description. There is no explanation why a product with the same description has different weight. Even the products are of the same PCN ("MS"). Thus, the Authority provisionally holds, pending detailed investigation, and verification, that the information cannot be considered as filed by the producer/exporter for the purpose of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

xvii. **M/s. Zhongshan Haibao Precision Hardware Co., Ltd.**

105. M/s. Zhongshan Haibao Precision Hardware Co., Ltd. (also referred to as Haibao) is a producer of the subject goods in China PR and has indirectly exported the subject goods to India through Hafele Engineering Asia Ltd. (EHK). EHK has made exports of the PUC to Hafele India Private Ltd., a related party in India. During the POI, Haibao has also exported the subject goods to India via unrelated exporters/ traders.

106. As per the Appendix-3B submitted, i.e., information relating to sales of the company to related/ unrelated exporters who have eventually sold to Indian customers, it is seen that Haibao also sold to Eternal Mark Hong Kong, Eternal Mark Singapore, Emcorp Pvt Ltd and Industrias Auxiliares.

107. It is noted that while Eternal Mark Hong Kong and Eternal Mark Singapore have filed responses to the exporter's questionnaire, neither of the exporters have reported purchases from Haibao. It is further noted that Emcorp Pvt Ltd and Industrias Auxiliares have not filed a response to the exporter's questionnaire at all. In view of absence of a complete value chain, the Authority provisionally holds, pending detailed investigation, and verification, that the information cannot be considered as filed by the producer/exporter for the purpose of the determination of dumping margin. However, the submissions made by the producer/exporter would further be examined during the course of investigation for the purpose of final findings.

**Export Price for all Producers and Exporters**

108. In view of the above, the Authority provisionally does not accept the exporters questionnaire response of the above stated producer/exporter at this juncture for the purpose of preliminary findings pending detailed examination and verification to be conducted by the Authority. The Authority would grant sufficient opportunity to the concerned producer/exporter during the course of the investigation to justify the information submitted in their response.

**Dumping Margin**

109. Considering constructed normal value and export price for the subject goods, the dumping margin for the subject goods from the subject country has been provisionally determined as follows:

Particulars	Unit	MS	SS	Total
Import volumes	MT	20,911	25,365	46,276
Constructed Normal Value	\$/MT	***	***	***
Net Export Price	\$/MT	884	1,411	1,173
Dumping Margin	\$/MT	***	***	***
Dumping Margin	%	***	***	***
Dumping Margin	Range	20-30	60-70	50-60

**G. METHODOLOGY FOR INJURY DETERMINATION AND EXAMINATION OF INJURY AND CAUSAL LINK**

110. 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.

**G.1 Views of the other interested parties**

111. No submission has been made by other interested parties with regard to injury and causal link.

**G.2 Views of the domestic industry**

112. The following submission were made by the domestic industry with regard to injury and causal link:
- i) The Indian industry falls under MSME sector, which is fragmented in nature, and unorganized sector, making it all the more vulnerable. Dumped imports from China have severely injured the domestic industry.
  - ii) For the purpose of the post-initiation submissions, the domestic industry considered HS code 83024900 only for volume and value of imports from the subject country. It is also submitted that imports of the subject goods have entered into Indian market under various HS codes in huge quantity. Therefore, import volume in the submissions is understated.
  - iii) There was a significant increase in the volume of imports from China PR over the injury period. The volume of imports from the subject country decreased from 2019-20 to 2021-22. In the POI period, however, there was a sharp increased volume of subject imports from China PR.
  - iv) Imports from China PR in relation to Indian production and consumption remained significant in the injury period.
  - v) The demand for this product in the Indian market has increased throughout the injury period. Considering the rising demand, the domestic industry also added significant capacities in the recent period.
  - vi) The landed price of imports from China PR has been significantly below the selling price of Indian industry throughout the injury period hence, the price undercutting is significantly positive.
  - vii) The cost of production and selling price have decreased in 20-21 as compared to base year and then Increase thereafter till POI. The landed price of imports is significantly below the level of cost of production of the domestic industry. Imports are causing price suppression in the Indian market.

- viii) The PUC offers huge potential for setting up production capacities. The Indian producers have, therefore, made efforts to create new capacities and enhance existing capacities.  
With the increase in demand, the domestic industry has increased their capacity. However, due to dumped imports available in the Indian market in significant volumes. The domestic industry utilized only \*\*\*% of its installed capacity in the POI.
- ix) The domestic industry has been under tremendous pressure to survive, as the subject goods are entering the domestic market at prices that are even below the cost, forcing the domestic industry to sell their product at prices that are barely above its cost. The domestic industry has been earning low level of profits throughout the injury period. The profits as a percentage of cost are much below \*\*\*%. The Authority allows \*\*\*% as a reasonable profit even for normal value determination.
- x) The cash profits of the domestic industry have increased but continue to remain very low level.
- xi) The ROI of the domestic industry declined over the injury period and has remained at significantly low level.
- xii) Inventories with the domestic industry have increased significantly over the injury period. There has been an increase of \*\*\*% in the level of inventory as compared to the base year, even when the demand has increased.
- xiii) With increase in capacity, the number of employees has increased over the injury period. Accordingly, the wages paid and productivity per employee has also increased over the injury period.
- xiv) The dumping margin from the subject country is not only more than *de-minimis* but also significant.
- xv) At least 3 companies have been forced to shut down their production in the most recent period.
- xvi) The demand has increased significantly in the POI, and thus, it is evident that possible contraction in demand is not a cause of injury to the domestic industry.
- xvii) The pattern of consumption with regard to the product under consideration has not undergone any change.
- xviii) The economic parameters provided by the domestic industry are only for their domestic performance. Thus, the export performance of the domestic industry is not a possible cause of injury to the domestic industry.
- xix) The technology as well as the production process for producing the product under consideration has not undergone any significant development. The domestic industry has recent technology for production of the product. Possible developments in technology could not have been the cause of injury to the domestic industry.
- xx) There is no trade restrictive practice, which could have contributed to the injury to the domestic industry.
- xxi) Performance of other products of the company could not have caused injury to the domestic industry. The sampled producers provided information relating to the product under consideration which is the only relevant information for the present purpose.

### G.3 Examination by the Authority

#### G.3.1. Assessment of Demand/Apparent Consumption

113. For the purpose of the demand/apparent consumption, the Authority has considered total import of the subject goods into India and the total domestic sales made by domestic industry and sales made by all other Indian producers.

Demand	Units	2019-20	2020-21	2021-22	POI
Sales of Domestic Industry	MT	***	***	***	***
	Indexed-MT	100	153	203	255
Sales of Other Indian Producers	MT	***	***	***	***
	Indexed-MT	100	173	338	317
Total sales	MT	***	***	***	***
	Indexed-MT	100	162	264	283
Imports from China PR	MT	17,436	27,214	47,922	46,276
Imports from Other Countries	MT	342	2,798	3,471	2,820
Total imports	MT	17,778	30,012	51,393	49,096
Total Demand/Consumption	MT	21,651	36,287	61,620	60,056
	Indexed-MT	100	168	285	277

114. It is seen that the demand for the product increased significantly over the injury period. It is seen that the share of domestic producers in the total demand remain static at 17%-18% throughout the injury period

#### G.3.2. Volume Effect of dumped imports on domestic industry

##### a. Imports in absolute and relative terms

115. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or in relation to production or consumption in India. For the purpose of the injury analysis, the Authority has relied upon the transaction-wise data of DGCI&S. The import volumes of the subject goods and share of the same during the injury investigation period are as follows:

Particulars	Unit	2019-20	2020-21	2021-22	POI
<b>Import Volume</b>					
Imports from China PR	MT	17,436	27,214	47,922	46,276
Imports from Other Countries	MT	342	2,798	3,471	2,820
Total Imports	MT	17,778	30,011	51,393	49,096
<b>Subject imports in relation to</b>					

Total imports	%	98	91	93	94
Indian production	%	381	420	388	315
Indian demand	%	81	75	78	77

116. It is seen that:

- a. Imports from China has increased significantly throughout the injury period upto 2021-22 and marginally decline in POI period from the preceding year. The volume of subject imports has increased by almost 165% in the POI as compared to the base year.
- b. Share of subject country in imports has remained significant throughout the injury period. Subject imports constituted 94% of the total imports of subject goods into India in the POI.
- c. Imports remained significant over the injury period in relation to production and consumption in India.
- d. Imports of the subject goods from the subject country are significant and cater to approximately 77% of the demand of the subject goods in India.
- e. Despite the Indian industry increasing its capacity to cater to the demand for the product in the country, imports are holding predominant share in the Indian market.

117. The Authority provisionally holds that the imports of the product under consideration have remained significant both in absolute term and in relation to production and consumption in India over the injury period.

### **G.3.3. Price effect of dumped imports**

118. In terms of Annexure II (ii) of the Rules, with regard to the effect of the dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product 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.
119. Accordingly, the impact on the prices of the domestic industry on account of dumped imports of the subject goods from the subject country has been examined with reference to price undercutting and price suppression/depression, if any. For the purpose of this analysis the cost of sales and the net sales realization (NSR) of the domestic industry have been compared with the landed price of the subject imports from the subject country.

a) Price undercutting

120. To determine the extent to which imports are undercutting the prices of the domestic industry, the landed value of the subject goods has been compared with the selling price of the domestic industry. Selling price of the domestic industry has been considered at ex-factory level, net of all rebates and taxes. The price undercutting has been determined separately for the different PCN and thereafter price undercutting has been determined for the product under consideration.

Particulars	Unit	POI		
		MS	SS	PUC
Landed Value of imports	Rs/MT	86,154	1,35,554	1,13,346
Net Sales Realisation	Rs/MT	***	***	***
Price Undercutting	Rs/MT	***	***	***
	%	***	***	***
	Range	20-30	60-70	45-55

121. It is seen that the landed price of subject imports is significantly below the selling price of the domestic industry. Imports were undercutting the prices of the domestic industry to a very significant degree in the POI. The imports are undercutting the prices of the domestic industry to the extent of \*\*\*%.

b) Price Suppression or Depression

122. For the purpose of analysing price suppression and depression effect of the dumped imports on the domestic industry, the Authority has compared the trends in the cost of sales & selling price of the domestic industry and compared with the trends in landed price of subject goods. Price suppression or depression has been assessed separately for the different PCN.

Particulars	Unit	POI	
		MS	SS
Landed Value of imports	Rs/MT	86,154	1,35,554
Cost of Sales	Rs/MT	***	***
Net Sales Realisation	Rs/MT	***	***

123. It is seen that the selling price of the like article made of mild steel is marginally above its cost while the selling price of the like article made of stainless steel is below its cost in the POI. The landed value in case of imports of the subject goods made of mild steel and stainless steel is significantly below the cost the comparable like articles. It is seen that, in the POI, the dumped imports have suppressed the prices of the product in the market.

### G.3.4. Economic parameters of the domestic industry

124. Annexure II to the Rules 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 and the ability to raise capital investments. Accordingly, various injury parameters relating to the domestic industry are discussed herein below:

i. Capacity, Production, Capacity Utilization and Sales

125. The performance of the domestic industry with regards to capacity, production, capacity utilization and sales is as follows:

Particulars	Units	2019-20	2020-21	2021-22	POI
Installed Capacity	MT	***	***	***	***
Index		100	138	158	195
Production	MT	***	***	***	***
Index		100	141	214	243
Capacity Utilization	%	***	***	***	***
Index		100	111	144	96
Domestic Sales	MT	***	***	***	***
Index		100	153	203	255
Demand	MT	21,651	36,287	61,620	60,056

126. It is seen that:

- Demand for the product has shown significant increase over the period. The demand has in particular shown increase till 2021-22 and marginal decline in the POI.
- Considering the sudden and sharp increase in demand for the product, new capacities were added by the manufacturers in India in the POI.
- With increase in capacity, the domestic industry's production has also registered some increase. However, the production is materially below the levels that could have been achieved by the domestic industry, considering the installed capacities with the domestic industry and demand for the product in the market.
- The sales of the domestic industry have also shown increase. However, the increase in sales volume is far lower than the increase in demand in the country. It is seen that the share of domestic producers in the total demand remain static at \*\*\* throughout the injury period. The increase in demand has been largely captured by the subject imports.

- e. The domestic industry has been operating with low level of capacity utilization. Further, whereas capacity utilisation increased till 2021-22, the same declined significantly in the POI. The capacity utilization in the POI was lower than not only preceding year, but also entire preceding years.

ii. Market Share in Demand

127. The market share is provided in the table below.

Particulars	Units	2019-20	2020-21	2021-22	POI
Subject Country	%	81	75	78	77
Other Countries	%	2	8	6	5
Domestic Industry	%	17	17	17	18

128. It is seen that the market share of the subject country has remained significant throughout the injury period, despite Indian industry enhancing its capacities to cater to the existing and growing demand in the country. The domestic industry barely holds a share of 18% in the Indian market in the POI. This is despite the fact that the Indian industry collectively holds a capacity of about 56,000 MT as against established demand of 60,056MT during the POI.

iii. Profitability, Cash profits, and Return on Capital Employed

129. The profit, profitability, cash profits, profit before interest (PBIT), and return on investment of the domestic industry over the injury period has been analysed as follows:

Particulars	Unit	2019-20	2020-21	2021-22	POI
Cost of sales	₹/MT	***	***	***	***
Index		100	98	127	115
Selling price	₹/MT	***	***	***	***
Index		100	98	126	114
Profit before tax (PBT)	₹/MT	***	***	***	***
Index		100	66	-16	35
PBT as % of cost	%	***	***	***	***
Index		100	67	-12	31
Cash Profit	₹/MT	***	***	***	***
Index		100	94	66	84
Return on Capital Employed	%	***	***	***	***
Index		100	87	33	72

130. It is seen that:
- The domestic industry has been earning meagre profits on the cost of sales.
  - The profit per unit of sales is quite low and declined upto 2020-21 and turned negative in 2021-22, thereafter marginally increased in POI period.
  - Despite significant capacity addition and resultant increase in production and sales, the cash profits and return on capital employed declined as compared to base year.
131. The Authority provisionally holds that the domestic industry has been able to earn very low level of profits. Further, such low level of profits turned negative in 2021-22. Cash profit and ROI have followed the same trend.

**iv. Inventory**

132. The data relating to inventory position of the domestic industry over the injury period and POI is given in the table below:

Particulars	Unit	2019-20	2020-21	2021-22	POI
Opening Inventory	MT	***	***	***	***
Closing Inventory	MT	***	***	***	***
Inventory	MT	***	***	***	***
Inventory	MT- indexed	100	107	130	168

133. The Authority notes that level of inventories with the domestic industry has increased throughout the injury period. Such increase in inventories is significant since 2021-22 and POI, when imports have shown significant increase. Closing stock at the end of the POI was almost \*\*\*% of the production of domestic industry of POI.

**v. Employment, Wages and Productivity**

134. The position with regard to employment, wages and productivity of the domestic industry is as follows:

Particulars	Unit	2019-20	2020-21	2021-22	POI
No of employees	Nos.	***	***	***	***
Index		100	111	164	178
Salaries & Wages	₹ Lacs	***	***	***	***
Index		100	87	138	200

Productivity Per day	MT/Day	***	***	***	***
Index		100	141	200	229

135. The Authority notes that the number of employees of the domestic industry have increased over the injury period. With an increase in employment levels, the salaries paid have also registered increase. Further, the productivity has also shown an increasing trend in consonance with the movement of production.

**vi. Growth**

136. The information with respect to growth of the domestic industry is given below:

Particulars	Unit	2020-21	2021-22	POI
Capacity	%	***	***	***
Production	%	***	***	***
Sales	%	***	***	***
Average Inventory	%	***	***	***
Profit per unit	%	(***)	(***)	***
Cash Profit per unit	%	(***)	(***)	***
ROCE	%	(***)	(***)	***

137. It is seen that the dumped imports have adversely affected the growth of the domestic industry in respect of production, sales and inventory. Even the domestic industry has registered negative growth in profit, cash profit and ROCE upto 2021-22, thereafter in POI these parameters show marginal improvement.

**vii. Magnitude of Dumping and Dumping Margin**

138. It is seen that dumping margin is not only more than *de-minimis* but also significant.

**viii. Suspension of Production by Some Domestic Producers**

139. The domestic industry has provided evidence that some of the domestic producers have been forced to shut down their production in the most recent period. The list of producers who have shut down their production is as follows:

- i. Krinapal Hardware LLP
- ii. Milan Enterprise
- iii. Quoram Slide LLP

## H. Causal Link

### i. Factors Establishing Causal Link

140. Analysis of the performance of the Domestic Industry over the injury period shows material injury to the domestic industry. The causal link between dumped imports and the injury to the Domestic Industry is established on the following grounds:
- a. Imports of the subject goods have increased in absolute terms over the period of investigation and remained significant in relative terms.
  - b. Landed price is below the level of selling price and also below the cost of sales in the POI leading to price suppression in the market.
  - c. Imports are increasing when the capacity utilisation of the domestic industry only in the range of 20-30%. Thus, the capacities are grossly underutilised in view of imports.
  - d. Market share of dumped imports in total demand in India remained at about 77% whereas Indian industry holds only around 18% of market share.
  - e. The Domestic Industry has not been able to increase its production and sales commensurate with the increase in demand. The Domestic Industry had significant unutilised capacity in the POI even though the demand had increased.
  - f. Inventories of the Domestic Industry have been on the rise, as the Domestic Industry has not been able to increase its sales in proportion to the increase in demand. Imports have been aggressively capturing the demand in India.
  - g. The Domestic Industry's profitability and return on capital employed is also adversely affected. Profits of the domestic industry are drastically affected. PBT as a percentage of cost is only around \*\*\*% in the POI.
141. The above analysis indicates that the domestic industry is suffering material injury due to increased dumped imports of PUC into India from subject country. There exists causal relation between the increase in dumped imports of the subject goods originating in or exported from subject country and the material injury suffered by the domestic industry.

## I. NON-ATTRIBUTION ANALYSIS

142. As per the 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. The factors which may be relevant in this respect include, inter-alia, the volume and prices of the 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**

143. The Authority notes that the imports of subject goods from sources other than subject country are not significant.

**b. Contraction of demand**

144. The Authority notes that the demand of subject goods increased over the injury period.

**c. Changes in pattern of consumption**

145. There has been no known material change in the pattern of consumption of the product under consideration.

**d. Trade restrictive practices and competition between the foreign and domestic producers**

146. The imports of the subject goods are not restricted in any manner and are freely importable in the country.

**e. Developments in technology**

147. The Authority notes that there has been no known material change in the technology for the production of the product under consideration.

**f. Export performance**

148. The information provided has been considered only for domestic operations of the domestic industry. Nonetheless, it is seen that the domestic industry has not exported the subject goods to other countries.

**g. Productivity**

149. The Authority notes that the productivity of the domestic industry has improved over the injury period.

**J. MAGNITUDE OF INJURY MARGIN**

150. Considering the fragmented nature of the industry, and the number of producers involved, the Authority found it appropriate to undertake sampling of domestic producers for the purpose of determination of non-injurious price. Therefore, while the information concerning all producers constituting domestic industry was considered for injury analysis, the non-injurious price and injury margin has been determined based on data of a sample. For this purpose, the Authority determined a statistically valid sample. The Authority communicated to the applicants that the following sampled

producers were required to furnish the costing information, which was provided by the sampled domestic producers.

- i. Jenil Techno Industries
- ii. Slide Tech Industries
- iii. Suketu Enterprise
- iv. Kiara Sliders (India) Private Ltd.
- v. Vinayak Slide LLP

151. On receipt of the costing information, it was noted that the sampled producers were producing PUC using mild steel (MS) only and hence the information received did not cover all types of raw materials. Hence, the scope of the sampled producers was enlarged to include Butterfly Drawer Slide Manufacturing Company as an Indian producer using stainless steel to manufacture the like product.
152. Accordingly, the Authority has determined Non-Injurious Price for the sampled domestic producers as mentioned above on the basis of principles laid down in the Rules read with Annexure III, as amended. The non-injurious price 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 non-injurious price has been considered for comparing the landed price from the subject country for calculating injury margin. For determining the non-injurious price, the best utilisation of the raw materials, utilities and production capacity by the domestic industry over the injury period has been considered. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the non-injurious price.
153. The landed price for the all producers/exporters has been determined on the basis of the information gathered from DGCI&S data. For all the non-cooperative producer/Exporters from the subject country, the Authority has determined the landed price based on facts available.
154. Based on the landed price and NIP determined as above, the injury margin for producers/exporters as provisionally determined by the Authority is provided in the table below:

Particulars	UoM	MS	SS	Total
Import volumes	MT	20,911	25,365	46,276
Non-Injurious Price	Rs/MT	***	***	***
Landed Price	Rs/MT	86,154	1,35,554	1,13,346
Injury Margin	Rs/MT	***	***	***
Injury Margin	USD/MT	***	***	***

Injury Margin	%	***	***	***
Injury Margin	Range	10-20	70-80	50-60

## **K. INDIAN INDUSTRY'S INTEREST, PUBLIC INTEREST & OTHER ISSUES**

### **K.1 Views of the other interested parties**

155. The following submissions have been made by other interested parties:

- i) If the anti-dumping duty is imposed, the exports to India will reduce significantly and the importers and users will be adversely affected.
- ii) An unreasonably high level of duty would increase costs for Indian furniture manufacturers, costs of projects for local carpenters, and therefore would pass on extra costs to end users. A reasonable floor price of import would help eliminate low quality imports in the unorganized segment.
- iii) The domestic producers are small and fragmented. They have limited capacity and cannot adequately cater to the entire demand in India. There is no supply constraint vis-à-vis imported from China PR.
- iv) Factors like domestic industry's unwillingness to upgrade their manufacturing setup and *inter-se* competition between the producers may have caused injury. Further, the domestic industry does not invest in distribution, branding, display centres, etc. and are unable to sell at a national level which is why their capacities are un-utilized.
- v) Foreign producers have the following advantages over Indian producers:
  - a) imported slides of speciality grade that is being imported have higher weight bearing capacity as compared to other steel grades. Because of its availability in China, exporters have an advantage over the Indian suppliers,
  - b) availability of high-capacity zinc coating system,
  - c) implementation of production processes and tooling for manufacturing quality products consistently,
  - d) in-house testing labs to check the quality and reliability of the product, and
  - e) scale of economies. They have heavily invested in capital equipment and are able to achieve cost efficiencies.
- vi) Imported goods offer better quality and product standard and pass tests like salt spray test and life cycle test successfully.
- vii) If anti-dumping duty is imposed, it should be imposed in a correct manner i.e., in a way that would help eliminate producers exporting low quality products at low prices and are the real cause of injury.
- viii) Godrej has tried to find local suppliers of the PUC but presently no Indian supplier has the capacity to manufacture full kit of Godrej's requirement. Indian suppliers will require at least 18-24 months and significant investment to develop their existing profiles & build capacity to match Godrej's requirement of fast-moving drawer slides. Once capacity & capability is developed in India, the users would be willing to shift to Indian supply of the product.
- ix) Ebco, a domestic producer and importer of the subject goods, intends to manufacture a larger quantity of PUC. However, the establishment of infrastructure will take time and imports from China PR are required to meet the high demand.

- x) Dorset's customers complain of decline in the quality of cheap subject imports. This affects the reputation of the distributor and poses a risk to the end-users. Dumping of subject goods from China PR are discouraging potential investors and manufacturers, including Dorset, from entering the market.

## K.2 Views of the domestic industry

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

- i) The imposition of duties is essential to ensure a level playing field in the Indian market, the viability of domestic production of the like article, and prevent India from becoming heavily import reliant on the product.
- ii) There are currently over 25 producers of the subject goods. Some of the production facilities that were under construction are either not being set up or work has been significantly slowed down. Dumped imports have forced some of the Indian producers to shut down their operations. If the situation worsens, many of these producers will be forced to completely cease operations.
- iii) If consumers become completely import reliant, they will be forced to higher degree of inventory. However, in case of procurement from the domestic industry, the consumers have the option of maintaining lower inventory levels.
- iv) The domestic industry belongs to the MSME sector which plays a vital role in driving forward economic growth and fostering inclusive development in the country.
- v) Imposition of duties would encourage creation of new manufacturing facilities. Setting up of a single manufacturing facility hardly requires 6 months and working capital of approximately Rs. 3 Crores. Should the Indian producers be provided a level playing field, they shall add capacities in no time.
- vi) Providing a level playing field will enable Indian Industry to utilize its capacity to optimum levels and in turn generate employment. Domestic industry, belonging to MSME sector, provides large employment opportunities at low capital cost. Further, setting up of one manufacturing facility would also indirectly generate employment for \*\*\* individuals in the associated activities.
- vii) Primary downstream user of subject goods is furniture industry which may be divided into organized and unorganized market. The big organized market players, considering their scale of operations, would hardly be impacted by imposition of duties.
- viii) The applicant determined the cost on account of a set of telescopic channels on the selling price of a table. Should three sets of telescopic channels be used in a table having three drawers which typically costs around Rs. \*\*\*, the cost of (three) telescopic channels would amount to approximately Rs. \*\*\*.

- ix) The producers in the subject country will only operate with the objective of profit maximization and have no stake or interest in long term development of the Indian market. If another market offers better prices, such producers are bound to switch their sale targets. The Indian industry, being established in the same national territory as the consumers, will keep the consumer's interest in mind.
- x) Demand for telescopic channel increased over the injury period, especially in the POI. As per information in public domain, the Indian furniture industry is expected to grow at a CAGR of \*\*\* during 2023-2028 period. This growth would further stimulate expansion of Indian industry. Imposition of duties would lead to increased investment, production, employment, government revenue, innovation in the country.
- xi) Imposition of duties would not only remedy the Indian industry but also create demand for upstream producers who have capacities far beyond Indian demand.
- xii) Consumers are using domestic product and imported telescopic channel alternatively. Currently domestic industry is not utilizing their production capacity to reasonable levels due to dumped imports. With imposition of duties, domestic industry would be able to utilize its idle capacity and cater to Indian market which has sufficient demand.
- xiii) No supply shortages of PUC are anticipated in the near future. There are multiple producers of telescopic channels in India. Further, even though imports of telescopic channel are largely from China PR, imports are entering the Indian market from many countries like Austria, Germany, Indonesia, Italy, etc. Thus, various other countries are also involved in the production and sale of the subject goods.

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

- 157. The Authority notes that the purpose of anti-dumping duty, in general is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Ensuring a level playing field for the subject goods in India is even more important considering the structure of the Indian industry. The Indian industry entirely falls in the MSME sector. If the production and sales of the subject goods become unviable to them, they will be forced to shut down operations.
- 158. The Authority considered whether imposition of anti-dumping shall have any adverse impact on the interest of the public. In order to determine such impact, the Authority weighed the impact of the imposition of duties on the availability of the goods in the Indian market, the impact on the users of the product as well as the domestic industry and the impact on the general public at large. This determination is based on the submissions and evidence submitted over the course of the present investigation.

159. The Authority issued gazette notification inviting views from all the interested parties, including the importers, the consumers, and the other interested parties. The Authority also prescribed a questionnaire for the users to provide the relevant information with regard to the present investigation, including possible effect of the anti-dumping duty on their operations. The Authority sought information on, *inter-alia*, interchangeability of the product supplied by the various suppliers from different countries, ability to switch sources, the effect of the anti-dumping duty on the consumers, the factors that are likely to accelerate or delay the adjustment to the new situation caused by the imposition of the anti-dumping duty.
160. The Authority had prescribed an Economic Interest Questionnaire which was sent to all interested parties to this investigation. The domestic industry, along with exporters/producers and importers submitted the Economic Interest Questionnaire, in the form and manner as prescribed by the Authority. It is noted that 22 producers/ exporters from the subject country and 3 importers have responded to the Economic Interest Questionnaire, along with the domestic industry. The domestic industry has also provided a quantification of the potential impact of the duty. It is seen that the imposition of duties will not have a significant impact on the downstream industry. As per information on record, the impact would be even lower than 1%. Moreover, none of the interested parties, besides the domestic industry, have demonstrated with verifiable quantified information that the imposition of anti-dumping duty shall have significant adverse impact on the subject goods. The Authority further notes that the measures may have an impact on certain users but that should be balanced against the risk of the domestic industry ceasing operations/production. In this regard the Authority recalls the Hon'ble Supreme Court's decision in the case of *Haridas Exports v All India Float Glass Manufacturers Association*, wherein it observed that, "*Import of material at prices lower than prevailing in India cannot per se be regarded as being prejudicial to the public interest*".
161. The Authority recognizes that imposition of anti-dumping duties might affect the price levels of the product in India. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measures. On the contrary, imposition of anti-dumping measures would ensure that no unfair advantages are gained by dumping practice, prevent decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods. Further, concerns raised by other interested parties with respect to availability and supply of the subject goods from China PR, the Authority emphasis 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.
162. It has been contended that there is a demand and supply gap in the country and the Indian industry is unable to meet the demand. The Authority notes that the combined capacity for the product with the Indian industry at present is in the region of \*\*\*MT and therefore Indian industry could have catered to nearly 95% of the demand for the product in the country. Further, demand-supply gap in the country does not bar the domestic industry from seeking redressal from dumped imports. As held by the

Hon'ble CESTAT in the matter of *DSM Idemitsu Ltd. vs. Designated Authority*, demand-supply gap does not justify dumping. The foreign producers can always meet the Indian demand by selling the product at un-dumped prices. Even after the imposition of anti-dumping duty, the imports are not restricted in the country. Further, even the capacity available with the domestic industry is not being utilised optimally, thus leaving sufficient capacity to be utilised to cater to the Indian demand. Additionally, Ebco Pvt. Ltd. (Ebco) and Dorset Industries Pvt. Ltd. (Dorset), interested parties in the present investigation, in their response and representation have submitted that they intend to enter the Indian market as a manufacturer, and therefore, it is noted that in any case the capacities of the Indian industry are going to increase.

163. It is noted that the interested parties have contended that the domestic industry is unwilling to upgrade their manufacturing setup and that the imported goods offer better quality and product standard. At the same time, Dorset, another importer and one of the largest distributors of the subject goods in India expressing its support for recommendation of definitive anti-dumping duty, has raised quality concerns regarding subject imports. The Authority notes that the other interested parties have not provided any evidence in support of their submission. Accordingly, further examination on such claims have not been conducted by the Authority.
164. The Indian industry is suffering material injury, as is evident from the profitability of the domestic industry and the fresh investments undertaken by the Indian industry. It is seen that the volume of dumped imports by the responding Chinese exporters/producers alone is significant and constitutes a significant share of Indian demand. The Indian industry is clearly susceptible to significant injury, and therefore, the Authority considers that imposition of duties is essential at this stage.

#### L. CONCLUSION AND RECOMMENDATION

165. Based on the submissions made, information provided and facts available before the Authority as recorded above and on the basis of the above analysis of dumping and consequent injury to the domestic industry, the Authority concludes the following:
- i) The investigation was initiated based on the representation filed by several Indian producers of the subject goods and Highhope on behalf of the Indian producers of the subject goods.
  - ii) The scope of the product under consideration is "Telescopic Channel Drawer Slider" originating in or exported from China PR.
  - iii) The subject goods exported from the subject country and the article manufactured by the domestic industry are 'like article' to each other in terms of Rule 2 (d) of the AD Rules, 1995.
  - iv) The dumping margin is not only above *de-minimis* level but also significant. The product under consideration has been exported to India at a price below the normal value, resulting in dumping.
  - v) With respect to the volume effect of the imports on the state of the domestic industry as required to be assessed under para (ii) of the AD Rules, 1995, it was found that the volume of imports from the subject country has increased by almost 165% in the POI when compared to the base year.

- vi) The demand for the product has increased significantly over the injury period.
  - vii) The market share of the domestic industry during the POI was a mere 14%. The market share of imports from the subject country has remained significant throughout the injury period, despite the Indian industry enhancing the capacity to cater to the growing demand in the country.
  - viii) The volume of imports and the dumping margin of the subject goods from the subject country were found to be above de minimis thresholds as stipulated under para (iii) of Annexure – II to the AD Rules, 1995.
  - ix) The landed price of imports is below the level of selling price of the domestic industry and is undercutting the prices of the domestic industry. Further, the selling price is barely above the level of cost of the domestic industry. The imports, in the POI, were thus suppressing the prices of the domestic industry in the market.
  - x) As regards the effect of such dumped imports on the economic parameters of the domestic industry, the following conclusions were reached:
    - a. The performance of the domestic industry in terms of production, installed capacity, sales volumes have increased due to increased capacity.
    - b. The domestic industry's market share in demand is merely \*\*\*% in the POI.
    - c. The domestic industry's profits and ROI have decreased over the injury period.
    - d. The average inventories of the applicant have increased, especially in the POI.
  - xi) The domestic industry has suffered material injury as a result of the dumped imports. The injury margin is significant.
  - xii) The Authority has examined that no other factor appears to have caused injury to the domestic industry. The Authority concludes that the material injury suffered by the domestic industry has been caused by the dumped imports from the subject country.
  - xiii) The Authority has quantified the impact of anti-dumping duty on the users. It is seen that the impact of the proposed measures will be insignificant considering the nature of the PUC being consumed. The imposition of anti-dumping duty would not have any significant adverse impact on public interest.
166. It is noted that the investigation was *suo-moto* initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide information on the aspect of dumping, injury and causal link. Having initiated the investigation into dumping, injury and causal link in terms of the provisions laid down under the Rules, it is felt that imposition of provisional duty is required to offset dumping and injury, pending completion of the investigation. Therefore, imposition of provisional anti-dumping duty on imports of the subject goods from the subject country is required to be considered.
167. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of provisional anti-dumping duty equal to the lesser of margin of dumping and margin of injury, from the date of notification to be issued in this regard by the Central Government, so as to remove the injury

to the domestic industry. Accordingly, the anti-dumping duty equal to the amount indicated in Col. No 7 of the table below is recommended to be provisionally imposed on all imports of the subject goods originating in or exported from the subject country.

DUTY TABLE

SN	Heading/ sub-heading	Description of goods	Country of origin	Country of export	Producer / exporter	Amount	Unit of measureme nt	Currenc y
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	8302 4110, 8302 4190, 8302 4200, 8302 4900	Telescopic Channel Drawer Slider	China PR	Any country including China PR	Any	614	MT	USD
2.	8302 4110, 8302 4190, 8302 4200, 8302 4900	Telescopic Channel Drawer Slider	Other than China PR	China PR	Any	614	MT	USD

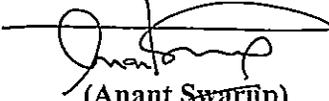
\*\*\*Note-Customs classification is only indicative, and the determination of anti-dumping duty shall be made as per the description of the PUC.

168. The landed value of imports for the purpose of this notification shall be assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under Sections 3, 8B, 9, 9A of the said Act.

#### M. FURTHER PROCEDURE

169. The procedure as below would be followed subsequent to notifying the preliminary findings:

- i. All the interested parties are invited to make their views, on preliminary findings, known at the time of oral hearing.
- ii. The Authority would hold oral hearing in terms of Rule 6(6) to give an opportunity to all the interested parties to present their views relevant to the investigation followed by written submissions.
- iii. The date of the oral hearing would be announced on the DGTR website (dgr.gov.in).
- iv. The Authority would conduct further verification to the extent deemed necessary.
- v. The Authority would disclose the essential facts as per the Anti-Dumping Rules before notifying the final findings.

  
 (Anant Swarup)  
 Designated Authority