

**To be published in Part-I Section I of the Gazette of India Extraordinary**

**F. No. 6/13/2023 - DGTR  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Trade Remedies  
4<sup>th</sup> Floor, Jeevan Tara Building, Parliament Street, New Delhi-110001**

**Dated: 19.10.2024**

**NOTIFICATION**

**FINAL 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.**

**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. The Authority having regard to the Act and Rules issued Preliminary findings vide Notification No. 6/13/2023-DGTR dated 19<sup>th</sup> April 2024 recommending imposition of provisional anti-dumping duty.
5. These provisional anti-dumping duties were imposed by the Ministry of Finance vide Customs Notification No. 13/2024-CUSTOMS (ADD), dated 27<sup>th</sup> June 2024.

## **B. PROCEDURE**

6. 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:

- a. Dongguan Litong Precision Slide Manufacturing Co., Ltd.
- b. Dongguan Topmin Development Co., Ltd.
- c. Dongtai Hardware Precision (Hong Kong) Ltd.
- d. Eternal Mark Pvt. Ltd.
- e. Eternal Mark Singapore Pte Ltd
- f. Fortune Plus Technology (Guangzhou) Ltd.
- g. Foshan Fusaier Metal Products Co. Ltd.
- h. Foshan Shunde Daoke Technology Co., Ltd
- i. Foshan Shunde Heqian Precision Manufacturing Co., Ltd
- j. Guangdong Dongtai Hardware Precision Manufacturing Co., Ltd
- k. Guangdong Hongli Hardware Co., Ltd.
- l. Guangdong Jino Hardware Industrial Co., Ltd
- m. Guangdong Oula Hardware Technology Co., Ltd
- n. Guangdong Taiming Metal Products Co., Ltd
- o. Guangdong Xingpeng Industrial Co. Ltd.
- p. Guangzhou Jino Hardware Technology Co., Ltd.
- q. Guangzhou Rongtai Hardware Products Ltd.
- r. Hafele Engineering Asia Ltd.
- s. Jieyang City Kiki Hardware Industry Co., Ltd
- t. Jieyang Mingbo Hardware Industry Co., Ltd.
- u. Jieyang Zhengbiao Hardware Co., Ltd
- v. Jieyang Zhongxing Hardware Co., Ltd.
- w. Lovhom Hardware (Guangzhou) Co., Ltd
- x. Shantou Rongtai Hardware Plastic Factory
- y. Taiming Advanced Precision Manufacturing Company Ltd
- z. Zhaoqing City Gaoyao District Chuangyiyuan Metal Products Co. Ltd.
- aa. Zhaoqing City Gaoyao District Kangxun Precision Manufacturing Technology Co., Ltd
- bb. Zhongshan Haibao Precision Hardware Co., Ltd.

7. An exporter, Guangdong Xinghui Precision Co. Ltd., registered itself as an interested party but did not file a response to the prescribed exporter questionnaire.
8. 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.
9. 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. Asian Paints
  - v. Sleek International Private Ltd.
10. While Dorset Industries Pvt. Ltd, an importer of the subject goods and a potential domestic producer, did not file a response to the prescribed importer questionnaire, the Authority received submissions from Dorset, which have been examined in the final findings.
11. 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.
12. 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> November 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.
13. 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 and injury 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

14. 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. 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.
15. 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. The Authority has also conducted spot verification of few sampled domestic producers on 3<sup>rd</sup> and 4<sup>th</sup> October, 2024.
16. 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.
17. 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.
18. The Authority, vide Notification no. 6/13/2023-DGTR, issued the Preliminary Findings on 19<sup>th</sup> April 2024. As recorded in the Preliminary Findings, the Authority invited comments on the same at the time of oral hearing.
19. In accordance with Rule 6(6) of the AD Rules, the Authority provided opportunity to the interested parties to present their views during the oral hearing held on 10<sup>th</sup> September 2024. The interested parties were requested to submit their written submissions by 17<sup>th</sup> September 2024 and rejoinder submissions by 24<sup>th</sup> September 2024.
20. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has recorded its observation on the basis of the facts available.

21. Desk verification was carried out by the Authority to verify the information filed by the other interested parties. Only such verified information with the necessary rectification, wherever necessary, has been relied upon for the purpose of the present investigation.
22. “\*\*\*” in the final findings, represents information furnished by interested parties on confidential basis and so considered by the Authority under the Rules.
23. 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**

24. 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: it is a product consisting of motion technology using nylon cylindrical roller instead of ball bearings. 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) Drawer systems like Slim Ergo or Super Slim Ergo are value added products which consist of side panels should be outside scope of investigation.
    - d) 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.
  - vi) The domestic industry has not given any reasoning for asking the Authority to check if all exporters have reported under HS codes other than the four specified in the notice of initiation. No purpose would be served by entertaining this exercise.
  - vii) While excluding econoboxes, the Authority should mention the generic name of the product, i.e., “drawer system” instead of the brand name of a particular company, i.e., “Econo box”.
  - viii) Domestic industry’s request for inclusion of drawer systems within the definition of the PUC seems to be a post thought of the Petitioner and tantamount to expanding the scope of the present investigation. Drawer Systems are a composite product which consist of side panels, slides and a connector which connects the slide with the side panel. These are value added products having significantly higher price. Further, the domestic industry had provided an illustrative list of names of the PUC in its post initiation submissions which did not include either “*drawer systems*” or any of the names by which drawer systems are imported in India.

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

25. 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) 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 the product under consideration. However, the domestic industry has agreed to exclusion of kitchen and bedroom fittings (such as trouser pull out, slide mounted tie rack), slim box, ultra slim box, legra box, tandem box (drawer), slim tandem box, etc.

- iii) An illustrative list of the different nomenclatures used to describe the product under consideration is as follows:
- a) telescopic channel
  - b) drawer slider
  - c) ball bearing telescopic slide
  - d) ball bearing telescopic channel
  - e) kitchen drawer slide
  - f) wardrobe drawer channel
  - g) drawer runner
  - h) ball bearing drawer runner
  - i) side mounting drawer slide
  - j) side mounting drawer channel
  - k) bed trolley runner
  - l) pull out channel
  - m) single extension channel
  - n) side track drawer channel, etc.
- iv) 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.
- v) 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.
- vi) 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.
- vii) 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.
- viii) 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.
- ix) 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.

- x) 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**

26. 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.*

27. 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’ ‘door knobs’ ‘door handles ‘doors and windows’ etc. 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. It is however clarified that merely because some HS code has been included within the scope of the product under consideration does not

imply that any import under that HS code shall be subject to proposed measures. It is clarified that ADD is payable only if the description of the imported product conforms to the description of the product under consideration in the present investigation, even if some product is sought to be imported under the specified HS code.

28. The Authority provided an opportunity to the interested parties to offer comments on the scope of the PUC and PCN methodology. The interested parties have sought a number of exclusions.
29. The other interested parties have sought exclusion of products like kitchen and bedroom fittings (such as trouser pull-out, slide mounted ties rack), slim box/ slim ergo, ultra slim box/ super slim ergo, Legra box, tandem box (drawer), Econo box, Legra box, tandem box (drawer), slim tandem box, double wall box, compact box, slimline tandem box, double wall drawer, matrix box, etc. It has been stated that their production process, usage, physical characteristics, etc. differ from telescopic channels and these are value added products. The Authority notes that the domestic industry has also agreed to exclusion of the same stating that there is limited demand in these products.
30. However, as regards exclusion of other products such as undermount slides, zinc coated slides, soft close slides, push open slides, stainless-steel slides, heavy duty slides, slides with different width, slides with different ball configurations, etc. it is, noted that these claims for exclusion were unsubstantiated with evidence. 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 products offered by the domestic industry are not commercially and technically substitutable with these products. It has been noted that various 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. The Authority also notes the nature of the product under consideration, wherein minor variations in the form of the product through usage of slightly different raw material or component is possible. Mere use of different raw material or component does not render a product so distinctly different that it renders the product as different from the product defined as the product under consideration in the present investigation.
31. 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 purchased and fitted. Use of different type of roller does not render the product itself as a different product. The mechanism in a drawer runner system with nylon cylindrical rollers is not different from the mechanism with ball bearing. However, essential characteristic of the product remains the same as a telescopic channel with ball bearings. The two are technically and commercially substitutable and can be used interchangeably. If drawer runners with nylon cylindrical roller is not available, drawer runners with ball bearing roller can be used and would perform the same function.

32. 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 and is thus required to be included within the scope of the product under consideration.
33. As regards coated/ plated subject goods, it is noted that the domestic producers also produce zinc and black coated subject goods.
34. 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.
35. 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 unlike article. These mechanisms are bought out items for producers of the PUC. Further, the domestic producers also manufacture these variants and hence are not required to be excluded from the scope of the product under consideration.
36. 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. Product with different width have essentially the same characteristics and are technically and commercially substitutable. Moreover, the domestic producers also produce channel drawers of varying width.
37. 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. These are merely different variants of the product under consideration. The domestic industry also produces these variants of the product under consideration.
38. In view of the above, the product under consideration is as follows:

*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.*

*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.*

However, products such as kitchen and bedroom fittings (such as trouser pull-out, slide mounted ties rack), slim box/ slim ergo, ultra slim box/ super slim ergo, Legra box, tandem box (drawer), Econo box, slim tandem box, double wall box, compact box, slimline tandem box, double wall drawer, matrix box are specifically excluded from the scope of the product under consideration. Illustrative pictures of such products, excluded from the scope of the product under consideration are given below, for reference:

SN	Product	Illustrative product picture	
		Picture-1	Picture-2
1.	<p><i>Trouser pull-out</i></p> <p><i>(value added product, with rods and hooks, used for hanging clothes)</i></p>		
2.	<p><i>Slide mounted tie rack</i></p> <p><i>(slide-mounted tie rack with hooks for organizing ties and belts)</i></p>		
3.	<p><i>Slim Box</i></p> <p><i>(drawer system with 2 double walled side panels mounted on telescopic channel)</i></p>		

SN	Product	Illustrative product picture	
		Picture-1	Picture-2
4.	<p><i>Ultra Slim Box</i></p> <p><i>(drawer system with 2 double walled side panels mounted on telescopic channel)</i></p>		
5.	<p><i>Legra Box</i></p> <p><i>(drawer system with 2 double walled side panels mounted on telescopic channel)</i></p>		
6.	<p><i>Tandem Box (Drawer)</i></p> <p><i>(drawer system with 2 double walled side panels mounted on telescopic channel)</i></p>		

SN	Product	Illustrative product picture	
		Picture-1	Picture-2
7.	<p><i>Slim Tandem Box</i></p> <p><i>(drawer system with 2 double walled side panels mounted on telescopic channel)</i></p>		
8.	<p><i>Double Wall Box</i></p> <p><i>(drawer system with 2 double walled side panels mounted on telescopic channel)</i></p>		
9.	<p><i>Compact Box</i></p> <p><i>(drawer system with 2 double walled side panels mounted on telescopic channel)</i></p>		

SN	Product	Illustrative product picture	
		Picture-1	Picture-2
10.	<p><i>Slimline Tandem Box</i></p> <p><i>(drawer system with 2 double walled side panels mounted on telescopic channel)</i></p>		
11.	<p><i>Double Wall Drawer</i></p> <p><i>(drawer system with 2 double walled side panels mounted on telescopic channel)</i></p>		
12.	<p><i>Matrix Box</i></p> <p><i>(drawer system with 2 double walled side panels mounted on telescopic channel)</i></p>		

39. The Authority sought comments on the PCN methodology from the interested parties. The interested parties were called for 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.

40. After considering the submissions made by the domestic industry and interested parties, the Authority noted that steel is the main raw material constituting around 75-80% of the costs incurred for production of telescopic channel drawer slider, thus 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. The interested parties have not demonstrated that the other parameters argued to be included as PCN parameters leads to difference in cost and price of the subject goods, particularly when the raw material itself constitutes 75-80% of the costs. 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. This PCN methodology has been adopted for determination of dumping margin, injury margin and price undercutting.

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

41. 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 & mechanical 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 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**

42. 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.
- viii) Jenil techno cannot be eligible DI. It failed to act in a bonafide manner and made a wrong declaration. Authority rejected export price of all cooperating producers in the PF without any opportunity of hearing. If Jenil Techno is accepted as domestic industry, then authority should also accept all explanations provided by respondents and determine individual rate. The respondents had reconciled their data with DG System in the questionnaire response. All producers in support have to file basic injury information. Further, no investigation can be initiated if applicants account for less than 25% of total production.
- ix) Authority assessed that none of the 25 producers imported the PUC. However, Advanced Technologies, Butterfly Drawer Slide Manufacturing Company, Rajhans Technocraft, Rajkot Everwin Hardware LLP, Suketu Enterprise and Jenil Techno Industries have imported the subject goods.
- x) The quantity of imports by the domestic producers is not the primary concern. The applicant has attempted to mislead the Authority by providing wrong declarations and stating that they have not imported the subject goods.
- xi) Imports by Jenil Techno were not merely restricted to the POI but have extended during the injury period and even continued post the POI. This establishes that the imports were not merely for testing but for supplying the PUC to the Indian market.
- xii) The real reason for the imports is the absence of the imported products within the applicant’s product range.

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

43. 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**

44. 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"*

45. 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

46. 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

47. 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 micro companies and the industry is fragmented.

48. 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.

49. The association quantified Indian production as \*\*\* MT.

50. Considering the information on record, the Authority sampled the following Indian producers based on volume of production and sale, and size of the company (large and medium scale) and directed them to provide costing and injury information as prescribed vide Trade Notice No.: 09/2021 dated 29 July, 2021:

- a) Jenil Techno Industries
- b) Slide Tech Industries
- c) Suketu Enterprise

- d) Kiara Sliders (India) Private Ltd.
- e) Vinayak Slide LLP
- f) Butterfly Drawer Slide Manufacturing Company

51. 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.
52. 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. It is noted in this regard 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 through a formal application was not necessary before starting the investigation. Post-initiation, the Authority received submissions and questionnaire responses from the association and domestic producers. The association filed certificate of incorporation, memorandum of association, articles of association, list of the members (all of whom unanimously supported submission of the response and imposition of ADD), details of the executive body, minutes of the meeting. The association also filed response to the economic interest questionnaire (EIQ).
53. 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.
54. It is seen from the information on record that production by Jenil Techno Industries, Slide Tech Industries, Suketu Enterprise, Kiara Sliders (India) Pvt Ltd, Vinayak International and Butterfly Drawer Slide Manufacturing Company constitutes \*\*\* MT. Further, Indian production has been determined as \*\*\* MT. Thus, production of these participating companies constitutes 38% of Indian production. These companies thus constitute “a major proportion” of the total Indian production.
55. The interested parties have pointed out that domestic producers such as Jenil Techno Industries, Suketu Enterprise, Rajhans Technocraft, Rajkot Everwin Hardware and Butterfly Drawer Slide Manufacturing Company have imported subject goods during the POI. The Authority has examined the facts and notes as follows:
- a. **Jenil Techno Industries** – The company imported \*\*\* MT of the subject goods in the POI as reflected in the DG Systems data, the import corroborates with the Jenil Techno Industries imported subject goods. The domestic industry has also submitted the same in its written

submission. Further, it is noted that this volume of imports is insignificant in relation to Indian production i.e., \*\*%, Indian consumption i.e., \*\*%.

- b. **Suketu Enterprise** – The company imported \*\*\* MT of the subject goods in the POI as reflected in the DG Systems data, the import corroborates with the Suketu Enterprise imported subject goods. The domestic industry has also submitted the same in its written submission. Further, it is noted that this volume of imports is insignificant in relation to Indian production i.e., \*\*%, Indian consumption i.e., \*\*%.
- c. **Butterfly Drawer Slide Manufacturing Company** - The company imported in the POI from China PR. The DG Systems data corroborates the submission made by the domestic industry in this regard. However, the domestic producer stated that it had imported machineries in the POI from China PR. The Chinese sellers also made trials on the machineries brought and supplied such products with the machineries. The domestic producer provided purchase invoice and evidence of shipments. It was noted that the imports were made along with machineries. It has been stated that such imported goods have not been traded further. Further, it is noted that the volume of such imports is insignificant in relation to Indian production i.e., \*\*%, Indian consumption i.e., \*\*%.
- d. **Rajhans Technocraft and Rajkot Everwin Hardware** - As regards these producers, it is clarified that these producers have not been considered as part of the scope of domestic industry. Further, the DG Systems data shows that Rajkot Everwin Hardware LLP has imported subject goods, while Rajhans Technocraft has not. Since these companies have not been treated domestic industry for the purpose of present investigations, imports by these companies does not vitiate the standing of the sampled companies to constitute domestic industry under Rule 2(b).

56. In view of the above it is noted that Butterfly Drawer, Jenil Techno Industries and Suketu Enterprise are part of the sampled producers whose information has been considered for the purpose of determination of injury and have imported subject goods. Authority notes that it has the discretion to determine on the inclusion or exclusion of such producers. It was acknowledged by the domestic industry that there were imports by these parties in the POI. The Authority considered following parameters while deciding inclusion or exclusion of domestic producers from the scope of the domestic industry:

- i. The percentage of domestic production of the product in question that is accounted for by the related producers.
- ii. Whether imports of the product in question by the related producers allow them to benefit, or serve to shield them, from the effects of dumping.
- iii. Whether exclusion of the related parties would unduly skew the data for the remaining member of the industry.
- iv. The level or long-term nature of the commitment shown by the producers to the domestic production, as opposed to the importing activities.
- v. The ratio of imports shipments to domestic production for the related producers.

57. The goods imported by Butterfly Drawer Slide Manufacturing Company have not been to traded but rather were produced and then imported only to test the quality of goods that will be produced using

the machinery. The company has imported the subject goods as sample products produced in the machinery to check the operation of purchased machines.

58. Jenil Techno Industries has imported \*\*\* MT of subject goods. Volume of imports is insignificant when compared to the total imports and demand in India as well as its production and sales. The core business of the producer is to produce subject goods.
59. While the Authority considers that omission on the part of the company was not appropriate, however, in light of their significant commitment to production, negligible volumes of these import, the fact that non-disclosure of the fact has not caused any undue benefit to the company or prejudice to the interested parties, the Authority finds that no adverse implications should flow from such non-disclosure. It is also noted that the Authority would not have treated these producers as ineligible, in the facts of the present case, had they disclosed such imports at the time of initiation. The Authority would have treated the company eligible even in that situation.
60. The Authority considers that the sampled domestic producers constitute eligible domestic industry within the meaning of Rule 2(b) and these domestic producers satisfy the criteria of standing in terms of Rule5(3) of the AD Rules.

## **E. CONFIDENTIALITY**

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

61. 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 basis 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.

- vii) Excessive confidentiality has been claimed for certain information without providing a clear justification. The Authority cannot treat information as confidential unless it is explicitly claimed by the party providing it.
- viii) Dumping margin was redacted. The applicant should indicate the range of dumping margin.

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

62. The domestic industry has made the following submissions with regard to confidentiality:

- i) Import data from market intelligence was relied upon in the post initiation submissions to assess import volumes and values. In any case, while the source and methodology used by the domestic industry may vary, the Authority has now relied upon DGCI&S data which is crucial for an accurate assessment of imports. As regards conversion from sets to kilograms, the domestic industry used the actual weight of their own products as a reference.
- ii) Information such as registration certificate, copy of by-laws, MoA, list of Association members, details of executive body and managing structure, etc. has been submitted with response to the economic interest questionnaire.
- iii) The Authority provided a sufficient non-confidential summary of the information in its preliminary findings. The allegedly withheld information did not hinder the ability of interested parties to make submissions.
- iv) The domestic industry provided estimated dumping margin in the range of 50-60% in the non-confidential version of its post-initiation submissions. Further, the Authority also disclosed the range of dumping margin at para 109 of its preliminary findings.
- v) The NCV response to deficiency letters must be made available to domestic industry also. Not granting access to the same is violative of the principles of natural justice. The domestic industry is handicapped and cannot make effective comment on the acceptance or rejection of the responses filed before the Authority due to non-circulation.

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

63. 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).

64. 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.”*

65. 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 non-confidential 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.

66. 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**

67. The submissions of the other interested parties with regards to the normal value, the export price and the dumping margin, are as follows:

- i) China’s Accession Protocol has expired, and Authority should grant market economy status to China PR and calculate normal value according to Article 2 ADA.
- ii) Rejection on the ground that data did not match DG system data is in violation of principles of natural justice. The exporters should have been given opportunity to present their case.
- iii) When the Authority provided DG system data to the exporter, they were able to provide clarification why there are differences between the information filed and DG Systems data.
- iv) Rejection based on DG system data is not reasonable for the following reasons:
  - a) DG systems data includes imports into bonded warehouses and subsequent transfers from bonded warehouses to customs leading to double counting.

- b) DG system data does not capture imports by air affecting accuracy of volume.
  - c) Direct imports in SEZ not recorded in DG Systems data.
  - d) DG system records imports in various UoM depending on nature of goods, while the Authority has used weight, leading to inconsistency.
  - e) DG System data includes imports under multiple codes while Authority focuses on specific codes therefore creating discrepancies through selective consideration.
  - f) Goods invoiced in bundles include both PUC and NPUC and the data from DG Systems may reflect bundled product, thereby distorting the data.
  - g) DG system reflects import price whereas investigation may focus on export prices and such difference in source may lead to discrepancy.
  - h) Discrepancy between date of invoice and date on bill of entry may affect the accuracy of import data.
  - i) Some transactions for which invoice was raised during POI arrived in India after POI.
- v) Data provided by the Authority does not contain information important for reconciliation like invoice number, date and customer/importer name, hence difficult for exporter to reconcile these invoices.
  - vi) Authority rejected Haibao's response as traders did not report purchases from Haibao. However, both traders have reported purchases from Haibao under a different name i.e., Haihui (brand name of Haibao). The exports by Haibao through traders who have not filed a response, is less than 10% of its total volume of exports. Hence, questionnaire should not be rejected.
  - vii) As per DG Systems data, Hongli made direct exports to India. However, it did not provide information regarding its direct exports. Hongli has filed a revised EQR including information relating to direct exports. Even in the case that direct exports are not considered, Authority should not reject all information and rely on direct exports as per facts available.
  - viii) Due to disparity in data, the Authority provided relevant import transactions recorded as per DG systems to the Respondents. It should be considered that DG systems data shows both KGS and SETS. Respondents have provided data in KGS for all transactions and hence no comparison can be made between two data sets. In any case, the quantities reported reconcile with each other.
  - ix) The Authority rejected export price due to absence of conversion methodology. The respondent has reported information based on actual weight reported in accounting record and/or packaging list. Hence, no conversion methodology was applicable.
  - x) DG system data records name of exporter and not the producer. Sale transactions for exports made through the traders will not appear under the producer's name.
  - xi) Some transactions in the Appendix 3A are not reflected in DG systems and is a higher quantity than what is reported in the DG system.
  - xii) If Authority would have treated exporters as cooperative and assigned individual rates, it would have paid nil ADD. Exporters export at high and un-dumped prices. Responding importers have now been constrained to import goods at high rates of ADD and along with its suppliers should be treated as cooperative with individual rates assigned.
  - xiii) The Authority violated principles of natural justice by not sharing data relied upon by the Authority before issuing PF. Due process required that data be shared before taking adverse decision against any party to allow opportunity to respond.

- xiv) The Authority alleged variation among weight per set for multiple products with same product description which may be because products have varied length, width, and thickness. These parameters have not been defined as parameters.
- xv) Exports were made in ex-works terms but DG systems data captured in CIF. Comparison under two data sets would not have been possible without converting data to CIF.
- xvi) The domestic industry has only made a generic statement with respect to rejection of exporter response on the ground that new information has been furnished, without naming the specific producer/ exporter. There is no mismatch of information once explanation and reconciliation has been done during verification.
- xvii) Respondents agree with the practice of Authority that producers/ exporters having more than 70% of the total exports of producer have responded then their response will be accepted for determination of individual duty rate.
- xviii) The Authority has already verified information provided and hence the domestic industry's argument on verification of PCN wise information is baseless.
- xix) The units have been given based on packing list i.e., in KG and the apprehension of the domestic industry with respect to incorrect unit of measurement is incorrect.
- xx) ADD is exporter specific and cannot be imposed indiscriminately. The Authority in previous cases has also awarded "NIL" duty to all or majority of the co-operating producer/exporters and separately calculated duty for non-cooperating producers/ exporters of the subject goods.
- xxi) Average import price into India during the POI cannot be imputed to the Respondents and cannot be compared with the import price of Respondents to doubt the veracity of the information provided by the Respondents. The Authority should compare the total volume of imports into India with the volume of imports through co-operating producers/exporters including the Respondents. If majority of exports to India during the POI is by non-cooperating producers/exporters, it is certain the lower average export price into India during the POI is due to such non cooperating exporters.
- xxii) The authority must clarify the specific methodology used to convert imports made in alternative units into kilograms. If the Authority applied inconsistent methodologies or made assumptions during the conversion process, this could adversely affect the valuation of imports.
- xxiii) The applicant has made baseless claims and not provided any evidence of manipulation by the producers regarding weight / volume.
- xxiv) No new information has been filed by the respondent. Only clarifications regarding minor discrepancies have been provided during verification. The exporters have already addressed the reasons for this mismatch and have submitted all relevant information.
- xxv) It is a common practice not to mention 'MS' on the invoice as the customer is already familiar with the product. If the customer requests stainless steel then 'SS' is reflected on the invoice. No exporter can export stainless steel without declaring raw material to customs while inaccurately reporting it as MS. The Authority should also verify if the domestic producers are mentioning the type of steel anywhere or not.

- xxvi) There is no connection between import data and the data reported by importers/ exporters. Importers/ exporters do not report weight in the invoice. The standard industry practice is to use SETs as unit of measurement.
- xxvii) The exporter or producer is responsible solely for maintaining its own books of accounts and submitting correct information to the Chinese Customs Authority. Under no circumstances should they be penalized for any alleged discrepancies between the information in the DG Systems database and that submitted as part of the EQR.
- xxviii) The sampled producers considered by the Authority have also imported the PUC during the injury period in India and even post POI. Even for these transactions, the UOM reported by them was not kilogram but sets and pieces.

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

68. 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.

- viii) Regarding verification of export price, the Authority should adopt the same practice as followed at the time of the preliminary findings. If volume and value provided by exporter does not match information given to Customs, response should not be accepted as mismatch is a clear case of giving two different sets of data to two different authorities.
- ix) It is an established practice that value chain in response should be complete. It is necessary that all goods sold by producers are appropriately reported to Authority for export price determination. Where producer has traders, the response is not complete until all traders have responded. The Authority's SOP Manual also provides a 70% benchmark which should be considered while evaluating response.
- x) The subject goods are made of either mild steel or stainless steel, which significantly impacts their price. Several transactions in import data do not indicate the type of steel used in manufacture. The description in import data is the same as mentioned in invoices and should also be the same in EQR. This implies that invoices generated by respondents would also not contain details to identify PCN. If exporters have not specified the PCN or declared it to Customs, they can claim anything. The Authority must verify the actual material used in production of the subject goods exported. Exporters may misclassify the goods and artificially make the value of export appear fair.
- xi) A significant proportion of imports have been reported in units other than kg. It is easy for importers to manipulate weight of consignment where weight is not reported in import data. The Authority in the preliminary findings also noted significant mismatch between volumes reported by exporters and DG systems data. The Department of Revenue and Customs has also raised concerns regarding variation in unit of measurement leading to difficulty in recording trade data. The Customs prescribes only a single unit of measurement against each code and it is the duty of the exporter to report the same before the customs Authorities. Hence, it is crucial for exporters to clarify how export volumes have been reported in weights in their response. Further, any internal document relied on to show conversion methodology from piece to weight would not hold sanctity before document submitted to Customs.
- xii) The Authority should work out export price of transactions where reported unit is weight and where reported unit is not weight but has now been converted. In case the export price worked out where units have been converted to weight is materially higher than the former, the exporter should justify the difference.
- xiii) As regards expiry of China's Accession Protocol and calculating normal value as per article 2 of the AD Agreement, none of the producers/exporters from China PR have submitted the market economy treatment/supplementary questionnaire response. Hence, the Authority should proceed to determine normal value as per the rules.
- xiv) The exporters' claim that that Authority has sought excessive information. This indicates that the exporter responses are highly inadequate even now, and the exporters have not provided information desired by the Authority.
- xv) The DG systems data was provided by the Authority to the respondents. However, the same was not shared with the domestic industry. Hence, the domestic industry was deprived of the chance to comment upon any information or clarifications. This is in gross violation of the principles of natural justice and Rule 7 of the AD Rules.

- xvi) As regards mismatch of data due to DG systems data not capturing imports by air, it may be noted that a product of this nature is not exported through air. Further, it is not shown by the respondents that air shipments were made.
- xvii) As regards mismatch of volume due to imports in SEZ, it is not even the claim of the exporters that they have made exports to SEZ.
- xviii) As regards DG systems data recording imports in various units, the exporters and importers were supposed to report the data on weight basis while undertaking transactions. The Authority cannot be blamed for any contrary action. Interested parties must explain why a different unit of measurement was used and how the interested parties have established correctness and appropriateness of the data.
- xix) Interested parties ought to have informed the Authority at the time of submitting questionnaire responses that there was a different unit involved in the actual transactions and should have provided the conversion methodology.
- xx) The exporters have themselves claimed that exports being made under various other codes have been considered apart from those specified by the Authority. However, the exporters did not specify any HS classifications being used to export the subject goods other than the ones considered by the Authority.
- xxi) As regards goods invoiced in bundles, under the reporting requirements for clearance of goods, the importers are required to separately report each product. Once imports have been separately identified, the import data would separately show the relevant information.
- xxii) As regards DG systems reflecting import price, the investigation requires CIF price and export price to determine margins and the exporters are required to provide both the prices in addition the adjustments to arrive at the export price.
- xxiii) As regards discrepancy between the date of invoice and bill of entry, no such claim was made by any party at the stage of filing the questionnaire response.
- xxiv) As regards the transactions for invoices raised which are not reported in the DG System due to the arrival of the goods post POI, such clarification should have been made at earlier stages of the investigation.
- xxv) As regards the extensive nature of verification documents sought by the Authority, it is evident that the exporters have not provided all relevant information sought by the Authority.
- xxvi) As regards Haibao's exports under being reported under Haihui's name by the traders, the producer should have specified the brand name in its response, while the exporter should have provided the name of the producer rather than the brand name. Further, there exists no publicly available information to show that the producer's brand name is "Haihui" and neither has any evidence been submitted to show that Haihui is infact a brand name.
- xxvii) As regards exports by Hongli, the details of direct exports made by the producer are highly important and crucial information which was not provided. A defect of such nature cannot be cured at a later stage. The exporter failed to provide this information proactively, and it came out and submitted a revised response only when the Authority examined the data.
- xxviii) As regards DG systems data showing both Sets and Kgs, the DG systems maintains data as per the documents submitted at the time of clearing imports. However, the value of the subject goods will not vary based on units. It must be ensured that the values reported are not different. In case the

values differ, it must be concluded that the exporter has reported different data.

- xxix) As regards rejection due to absence of conversion methodology, significant difference can occur if an unverified conversion methodology is used. The method in which weight is derived must be shown, regardless of whether the weight is reported on the basis of the packing list. Further, the respondents have not specified the exact accounting records referred to. The description and unit used in the invoice is the basis for accounting records and subsequently, customs data. Hence, any defect in the customs data and lack of reconciliation is due to the defects in the respondents' data itself.
- xxx) As regards indirect exports appearing under the trader's names, exporters were required to identify producers and exporters. The Authority can accordingly tally exports with the DG Systems data. The Authority must have considered exports made by comparing the name of the producer and the exporter as per the questionnaire response.
- xxxii) As regards the quantity in the Appendix being higher than what is reflected in the DG systems data, the exporter must show the classification under which exports were made and whether the same were reported by the importers. Different HS codes have been used, which points to misappropriation of information.
- xxxiii) An analysis of responses filed by the respondents will show that they have not sold at low price and their prices were much higher. Majority of the parties who have exported the subject goods to India are participating in the investigations. If all responding companies are claiming having sold at higher prices, then whose price does the customs data represents? Imports have been made at prices materially below normal value and NIP. It cannot be contended by all the participating exporters that their export price were above normal value and NIP. Any such claim implies unreasonable and impossible export price for those who are at present not cooperating. There are clear suppression of facts and falsification of information.
- xxxiiii) No legal provision obliges the Authority to share its data. Globally, the investigating authorities do not share data and documents with the exporters concerned. Reliance on DG Systems is a part of internal verification procedure, and the Authority is entitled to cross verify the claims made by the exporters. The customs data shows what has been presented by exporters to their importers to facilitate imports. Exporters should be able to reconcile their own responses with customs data. The fact that information so significantly differs establishes the unreliability of the information provided by the respondents. The exporters have given two set of information, evidence and claims – one before customs authorities and one before the Authority in the present investigation.
- xxxv) As regards difference in weight of products with the same description, the exporters should specify and justify the weight calculation based on adequate conversion methodology. Specifications like length, width and thickness are required for accurate conversion of unit.

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

#### **Determination of Normal Value**

69. 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.*

70. 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 WO 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. "*

71. It is noted that 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.
72. 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.
73. 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 proceed with para 7 of Annexure-I to the Rules for determination of normal value in case of China PR

74. 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.*

75. 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.

76. 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**

77. After the issuance of preliminary findings, the Authority issued letters to producers/exporters from China PR who participated in the present investigation and filed questionnaire response, seeking additional/supplemental information/documents. Since the response was not satisfactory, another deficiency letter seeking clarifications was issued. These additional/supplemental information/documents were necessitated in view of significant variations that were found in the questionnaire response filed by the responding producers/ exporters and information procured by the Authority from DG Systems. The nature of additional/supplemental information/clarification/documents sought, *inter alia*, included the following:

- i) Reconciliation of export volume as reported by the exporter and as seen from DG Systems data
- ii) Conversion methodology of units in which goods have been transacted to the prescribed unit, i.e., kgs. as significant transactions were made on “sets” basis. The correct identification of weight is pertinent to examine the export price. Incorrect weight can have an increasing/decreasing effect on the export price.
- iii) Details of raw materials purchased, production of different types of products, sales register from accounting system. This information was considered critical to examine correctness of the information provided, and the PCN identified, particularly because it was seen that the information contained in the invoices is insufficient to identify the PCN and quantify the import volumes (in weight). The Authority notes that the price difference in subject goods made by Stainless Steel and Mild Steel is significant and thus this information was considered crucial.
- iv) Details of production codification system adopted by the company. This information was considered imperative to examine the correctness of import volumes reported, the conversion methodology adopted for expressing the imports into weight and correctness of the PCN identified.
- v) VAT invoices along with English translation, packing list and shipping documents of all transactions. This information was critical considering the technical nature of the product, and difficulties in identification of PCN, the issue of conversion of volume into weight.
- vi) Transaction wise export to third countries with product code, length & width of the channel. This information was considered necessary in order to ascertain correctness of the volume and value of exports to India reported by the exporter.
- vii) Certified copy of production report of subject goods sold to exporters/trader from the SAP/any other accounting system for Injury period.
- viii) Details of TDC manufactured by the company and export to India of all transactions in following formats with evidence for weight

SN	Product	Product code	PCN	Size	Length inch	Width inch	Thickness inch
----	---------	--------------	-----	------	-------------	------------	----------------

\*TDC means Telescopic Drawer Channel

- ix) Details of production, sales domestic and export to all countries and stocks position of each product/PCN.
- x) Specify the width of the drawer channel in each and every transaction exported to India.

- xi) Explain when the product code is one, how different product is covered in the same code. If this is the same how the weight of each and every transaction are different.
- xii) Clarification on difference in price to same customer with same product details, same weight and same date.
- xiii) Transaction wise exports to third countries with product code, length & width of the channel.
- xiv) DG system data of the exporter was provided with information on Bill of Entry, Bill of Entry Date, Quantity, Unit, Assessable value for reconciliation.

78. Since there were significant differences in volume of exports reported by the exporter and the volume of imports reported in the Director General (Systems) data, it was critical to reconcile the questionnaire responses filed by the exporters with the information available with the authority through customs data.

79. The Authority notes that VAT invoice is the document issued by the exporter concerned before Chinese customs authorities for clearance of material and therefore is a document readily available with the exporter. This document shows the value of export in Chinese currency and is therefore quite relevant, useful and necessary to corroborate the invoice value reported in the commercial invoice presented by the exporter before Indian customs authorities. The Authority considered such invoice necessary in view of significant challenges faced at the stage of preliminary findings in corroborating the questionnaire response with DG System data.

80. Almost none of the exporters were able to provide satisfactory documentary evidence to substantiate whether the product involved in a particular export transaction was of mild steel, stainless steel or other material. The Authority considers that correct identification of PCN and weight of the material in the export transaction is germane to export price determination. All the exporters made claim on the basis of a statement, unsupported with documentary evidence. Since no satisfactory documentary evidence was provided along with initial questionnaire response, it was considered appropriate and necessary to seek information with regard to volume of total production, volume of sales (exports to India, exports to third countries and domestic sales), details of raw materials, and stocks in order to satisfy with regards to accuracy and adequacy of information and claim concerning volume of exports made to India and PCN of the product involved in particular export transaction. Further, it was noted that different transactions were showing different weight of the material, for which exporters clarified that the same was due to different dimensions of the product involved in one PCN. The exporters submitted that while the PCN involved was same, products with significantly different dimensions have been sold carrying different weight. This necessitated reconciliation of production and sales with raw materials consumption. This was additionally important for the reason that none of the exporters gave calculations showing conversion of numbers into weight. The exporters merely clarified the reasons for the different weight found by the Authority in the respect of products carrying same PCN. However, the Authority notes that it was impossible to verify the weight reported without details of the specifications of the product. The Authority also notes that it is possible to calculate weight of the product precisely, once the dimensions of the product are known. Further, it was feasible for the

exporters to provide calculations of the weight on the basis of physical dimensions. However, none of the exporters provided any information showing calculations of the weight reported.

81. It was not understood how exporters have reported different weight in the respect of product with identical specifications. In some cases, it was found that even when the model number reported in the description is the same, the weight of the product is different in different transactions. If a product with one model number carries significantly different weight, it was not possible for the Authority to verify correctness of the weight. Precise calculation of the weight was critical for the reason that the same directly impacts the export price of the transaction and resultantly the weighted average dumping and injury margin.
82. It is noted that a large number of transactions have been reported using unit of measurement other than the unit prescribed by customs authorities for reporting imports. The prescribed unit of measurement for the product is weight. The Authority has also adopted weight as the unit of measurement for the purpose of present investigations. It was however seen that a large number of transactions took place in a unit of measurement other than weight. The questionnaire response filed by the exporters also showed that a large number of export transactions were not on weight basis. Further, correct conversion of import volumes into weight is most essential in order to precisely determine the export price. The exporters were therefore directed to provide relevant information and documents to support volume of exports in individual export transactions and conversion methodology in particular.
83. The exporters contended that the Authority has asked excessive information from the interested parties. The Authority however notes that the information demanded from the exporters is important for correct assessment of export price. It is also noted that the information demanded by the Authority is routinely demanded by all investigating authorities globally. Need for this information became additionally necessary for the reason that the significant portion of sales were made in a unit other than weight and correct assessment of import volumes is critical for export price determination. Analysis of imports in questionnaire responses filed by the parties showed very significant variation in weight reported in different transactions even in situations where the product description was identical. The interested parties contended that the difference in weight could be because of inclusion of different types of products within same PCN. It is however clarified that the Authority has found significant difference in weight in respect of transactions where the model number of the exporter is the same. If the model number in two different transactions is same, but weight reported is significantly different, it additionally becomes important to ascertain correctness of import volumes reported by the exporters.
84. It was also noted that exporters had given selective translation of the documents. Since the invoices were in Chinese language, it was imperative for the exporters to provide complete translation of the invoices, rather than providing translation of selective parts of the document. Further, analysis of a number of invoices clearly showed that the translation of product description in Chinese given in English is very different from the description mentioned in Chinese language. For instance, it was seen that the description mentioned on the invoice was “metal products iron rail”, it was translated by the

exporter to “telescopic channel drawer slider”. Thus, it appears that the exporters have not even provided translation of the document and have instead given their own interpretation to what has been stated in the description. It was nowhere clarified that the English words did not contain translation of Chinese words. Such material modifications to the information justified calling of supporting information, document and evidence in order to corroborate the information provided by the exporters.

85. The responses by these producers/exporters as submitted originally and through response to deficiency letters have been examined hereunder:

**i. M/s. Jieyang ZhongXing Hardware Co., Ltd.**

86. Jieyang ZhongXing Hardware Co., Ltd. (also referred to as ZhongXing) is a producer of the subject goods in China PR. It has exported \*\*\* MT of the subject goods to India through Guangzhou Jino Hardware Technology Co., Ltd. (also referred to as Jino Technology) and \*\*\* MT through LovHom Hardware (Guangzhou) Co., Ltd. (also referred to as LovHom). The volume reported by it reconciles with the DG Systems data.

87. In view of the above, the Authority accepts the information submitted by ZhongXing for the purpose of the determination of individual dumping and injury margin. The same can be seen in the relevant tables in the final findings.

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

88. 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 \*\*\* MT of 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 \*\*\* MT through LovHom Hardware (Guangzhou) Co., Ltd. (also referred to as “LovHom”).

89. The responding producer and exporter have provided sampled commercial sales invoices, VAT invoices, packing list, shipping documents for the subject goods. It identified the PUC as SS wherever indicated in the invoice and identified the rest as MS without showing any reliable evidence. The Authority gave sufficient opportunity to the exporter to verify the PCN and its value. However, the PCN could not be identified on the basis of said documents.

90. In view of the above, the Authority holds that the information submitted by **Guangdong Jino Hardware Industrial Co., Ltd** cannot be considered for the purpose of the determination of individual dumping and injury margin. However, the legal submissions made by the producer/exporter have been examined in the final findings.

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

91. Jieyang Zhengbiao Hardware Co., Ltd is a producer in China PR who has indirectly exported \*\*\* MT of the subject goods to unrelated customers in India, i.e., through Fortune Plus Technology (Guangzhou) Ltd., an exporter/ trader.
92. As per the Appendix-2 filed by Fortune Plus, indicating details of the 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. The Authority notes that response from these producers has not been made available. However, the supply chain of Jieyang Zhengbiao Hardware Co., Ltd is complete and its response has been considered by the Authority.
93. The responding producer and exporter have provided commercial sales invoices, packing list and shipping documents as response to the deficiency letter. It identified the PUC as MS and the same was verified from the DG Systems data.
94. As regards reconciliation of data, the DG Systems data shows that exports from the respondent were reported in the prescribed unit i.e., Kgs and the data provided by the exporter in its response is also in Kgs. Hence, the exporter has been able to reconcile the data sets.
95. In view of the above, the Authority accepts the information submitted by Jieyang Zhengbiao for the purpose of the determination of dumping and injury margin. The same can be seen in the relevant tables in the final findings.

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

96. Guangdong Taiming Metal Products Co., Ltd. (also referred to as “Guangdong Taiming”) is a producer of the subject goods in China PR. It has exported \*\*\* MT of the subject goods to unrelated customers in India via its subsidiary Taiming Advance Precision Manufacturing Company Ltd. (also referred to as “Taiming Advance”).
97. It has been stated that sales transactions for exports to India made through Taiming Advanced will not appear under Guangdong Taiming’s name in the DG systems data but under Taiming Advanced’s name. It is clarified that sales transactions have been examined under the DG Systems data considering the exporter’s name.
98. The responding producer and exporter have provided commercial sales invoices, VAT invoices, packing list and shipping documents in response to the deficiency letter. The respondent identified all

the material exported by it as MS channel, however, the PCN could not be identified based on the said documents.

99. As regards reconciliation of data, the DG Systems data shows units other than Kgs like sets, pairs, etc. while the data provided by the exporter is in Kgs. Since the respondent could not sufficiently provide a conversion methodology for conversion of DG systems data in sets, pairs, etc. to kgs., the respondent's data could not be reconciled with DG systems data. The Authority, in the provisional findings, had also observed notable disparity between that data reported by Taiming Advance and that reported in the DG Systems Data.

100. In view of the above, the Authority holds that the information submitted by Guangdong Taiming cannot be considered for the purpose of the determination of individual dumping and injury margin. However, the submissions made by the producer/exporter have been examined in the final findings.

**v. 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**

101. M/s. Dongguan Litong Precision Slide Manufacturing Co., Ltd. (also referred to as "Litong") is a producer of the subject goods in China PR. Litong sold the subject goods to a trader in China, namely, Dongguan Topmin Development Co. Ltd., who has further exported \*\*\* MT of the subject goods to India via another trader, namely, Hafele Engineering Asia Ltd. (EHK). EHK has exported \*\*\* MT of the subject goods produced by Litong to Hafele India Private Ltd., a related party in India, who has sold to unrelated customers in India.

102. The Authority gave sufficient opportunity to the exporter and sought certain information from it to clarify the deficiency raised by email dated 19<sup>th</sup> August 2024. However, no response was received from the respondent.

103. As regards reconciliation of data, the DG Systems data shows units other than Kgs like sets, pairs, etc. while the data provided by the exporter is in Kgs. Since the respondent could not sufficiently provide a conversion methodology for conversion of DG systems data in sets, pairs, etc. to kgs., the respondent's data could not be reconciled with DG systems data.

104. In view of the above, the Authority holds that the information submitted by Litong cannot be considered for the purpose of the determination of individual dumping and injury margin. However, the submissions made by the producer/exporter have been examined in the final findings.

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

105. Guangdong Hongli Hardware Co., Ltd. (Hongli) is a producer in the subject country who has sold the subject goods to Hafele Engineering Asia Ltd. who has further exported \*\*\* MT of the subject goods produced by Hongli 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.

106. It was noted in the provisional finding that 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, it was seen from the DG Systems data that Guangdong Hongli Hardware Co., Ltd. made direct exports of the subject goods to India which have not been reported by the producer in its response to the questionnaire. The exporter filed revised EQR after provisional finding. It is noted that the direct exports made by the producer is the foremost direct information that is to be provided by the exporter.

107. In view of the above, the Authority holds that the information submitted by Guangdong Hongli cannot be considered for the purpose of the determination of individual dumping and injury margin. However, the submissions made by the producer/exporter have been examined in the final findings.

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

108. 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 \*\*\* MT of the subject goods produced by it 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. 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.

109. It was noted in the preliminary findings 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 was also noted that Emcorp Pvt Ltd and Industrias Auxiliares have not filed a response to the exporter's questionnaire at all. It has been contended that traders i.e., Eternal Mark Hong Kong and Eternal Mark Singapore have reported purchase from Zhongshan Haibao Precision Hardware Co., Ltd. by using its brand name, i.e., "Haihui". However, no evidence has been provided to show that Haihui is actually the brand name Haibao. Further, even if the Authority accepts the claim that Haihui is in fact Haibao, it is seen that the response filed by Haibao does not reconcile with the response filed by Eternal Mark Hong Kong and Eternal Mark Singapore for Haihui.

110. Since significant volume of exports by Haibao could not be reconciled, the Authority holds that the information submitted by Haibao cannot be considered for the purpose of the determination of

individual dumping and injury margin. However, the submissions made by the producer/exporter have been examined in the final findings.

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

111. Guangdong Oula Hardware Technology Co., Ltd. is a producer of the subject goods in China PR. It has directly exported \*\*\* MT of the subject goods to unrelated customers in India.

112. The responding producer and exporter have only provided commercial sales invoices, VAT invoice, packing list and shipping documents as response to the deficiency letter. While the DG systems does not show whether the material exported was MS or SS for all transactions, the respondent has identified both MS and SS in the material exported by it. However, the PCN could not be verified based on the said documents.

113. As regards reconciliation of data, the DG Systems data shows units other than Kgs like sets, pieces, etc. while the data provided by the exporter is in Kgs. Since the respondent could not sufficiently provide a conversion methodology, the respondent's data could not be reconciled with DG systems data.

114. Further, the exporter submitted its packing list to verify the weight of the product. However, the weight reported by the exporter for multiple products with the same description differed. Even the weight of products with similar length, width and thickness differs. The exporter could not justify such difference and despite being asked to submit the conversion methodology for each product type to verify the weight reported by it, it failed to provide the same.

115. Furthermore, there is a significant mismatch between the value reported by Oula in its response and that appearing in the DG Systems data.

116. In view of the above, the Authority holds that the information submitted by Guangdong Oula cannot be considered for the purpose of the determination of individual dumping and injury margin. However, the legal submissions made by the producer/exporter have been examined in the final findings.

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

117. Jieyang City Kiki Hardware Industry Co., Ltd. (also referred to as "Kiki") is a producer. It has exported \*\*\* MT of the subject goods to India directly during the POI.

118. The responding producer and exporter have provided commercial sales invoices, VAT invoice, packing list and shipping documents as response to the deficiency letter. While the DG systems does not show whether the material exported was MS or SS for all transactions, the respondent has identified

both MS and SS in the material exported by it. However, the PCN could not be verified based on the said documents.

119. Further, the respondent was asked to submit a translation of its invoices, which was not furnished by the respondent. However, it is seen by the Authority using Google translation that the description mentioned in Chinese shows a description of “metal products iron guide rails”.

120. As regards reconciliation of data, the DG Systems data shows units other than Kgs like sets, pairs, etc. while the data provided by the exporter is in Kgs. Since the respondent could not sufficiently provide a conversion methodology for conversion of DG systems data in sets, pairs, etc. to kgs., the respondent’s data could not be reconciled with DG systems data.

121. Furthermore, there is a significant mismatch between the value reported by Kiki in its response and that appearing in the DG Systems data.

122. In view of the above, the Authority holds that the information submitted by Jieyang City Kiki Hardware cannot be considered for the purpose of the determination of individual dumping and injury margin. However, the submissions made by the producer/exporter have been examined in the final findings.

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

123. Foshan Shunde Heqian Precision Manufacturing Co., Ltd. is a producer in the subject country. It has exported \*\*\* MT of the subject goods to India directly during the POI. The producing exporter has provided commercial sales invoices, VAT invoice, packing list and shipping documents as response to the deficiency letter. The transactions reported reconciles with the DG Systems data.

124. In view of the above, the Authority accepts the information submitted by Foshan Shunde Heqian for the purpose of the determination of individual dumping and injury margin. The same can be seen in the relevant tables in the final findings.

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

125. Guangdong Dongtai Hardware Precision Manufacturing Co., Ltd has produced subject goods and has directly exported \*\*\* MT of the subject goods to India. It has also exported \*\*\* MT of the subject goods to India indirectly via M/s Dongtai Hardware Precision (Hong Kong) Ltd.

126. The responding producer and exporter have provided commercial sales invoices, packing list and shipping documents as response to the deficiency letter. The product description does not indicate if the subject good exported was MS or SS. The respondent, merely stated, without providing any

supporting documentary evidence that all the material it exported was made of Mild Steel. However, the exporter has not provided any information or evidence to confirm that the goods were indeed made of Mild Steel.

127. As regards reconciliation of data, the DG Systems data shows units other than Kgs like sets, pieces, etc. while the data provided by the exporter is in Kgs. Since the respondent could not sufficiently provided a conversion methodology, the respondent's data could not be reconciled with DG systems data. It was noted in the provisional finding that the volume reported by the producer for direct exports as well as that reported by the exporter is significantly different from the volume reported in DG Systems Data.
128. Furthermore, the exporter submitted its packing list to verify the weight of the product. However, the weight reported by the exporter for multiple products with the same description differed. The exporter could not justify such difference and despite being asked to submit the length, width and thickness of each product to verify the weight reported by it, it failed to provide the same.
129. Further, the Authority notes that the respondent has declared abnormally inflated prices for transactions wherein they have declared the PCN as MS. In fact, the prices declared by the respondent for such transactions, i.e., transactions pertaining to export of subject goods made of mild steel, is even higher than the prices of subject goods made of stainless-steel. This makes the value reported by the respondent highly unreliable.
130. In view of the above, the Authority holds that the information submitted by Guangdong Dongtai cannot be considered for the purpose of the determination of individual dumping and injury margin. However, the legal submissions made by the producer/exporter have been examined in the final findings.

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

131. Foshan Shunde Daoke Technology Co., Ltd is a producer of the subject goods in China PR and has exported \*\*\* MT of 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").
132. The responding producer and exporter have only provided commercial sales invoices, packing list and shipping documents as response to the deficiency letter. The Authority had asked the respondent to submit its VAT invoices which were filed with the Customs Department. The respondent has not provided the same. The product description does not indicate if the subject good exported were produced using MS or SS. The respondent merely stated, without providing any supporting documentary evidence that all the material it exported was made of Mild Steel. However, the exporter

has not provided any information or evidence to confirm that the goods were indeed made of Mild Steel.

133. As regards reconciliation of data, the DG Systems data shows units other than Kgs like sets, pieces, etc. while the data provided by the exporter is in Kgs. Since the respondent could not sufficiently provided a conversion methodology, the respondent's data could not be reconciled with DG systems data. It was noted in the provisional finding that the volume reported by the producer for direct exports as well as that reported by the exporter is significantly different from the volume reported in DG Systems Data.
134. Further, the Authority notes that the respondent has declared abnormally inflated prices for transactions wherein they have declared the PCN as MS. In fact, the prices declared by the respondent for such transactions, i.e., transactions pertaining to export of subject goods made of mild steel, is even higher than the prices of subject goods made of stainless-steel. This makes the value reported by the respondent highly unreliable.
135. In view of the above, the Authority holds that the information submitted by Foshan Shunde cannot be considered for the purpose of the determination of individual dumping and injury margin. However, the submissions made by the producer/exporter have been examined in the final findings.

**xiii. M/s. Shantou Rongtai Hardware Plastic Factory through Guangzhou Rongtai Hardware Products Ltd.**

136. Shantou Rongtai Hardware Plastic Factory (also referred to as Shantou Rongtai) is a producer of subject goods in China. During the POI, Shantou Rongtai produced and exported \*\*\* MT of the PUC through its related exporter Guangzhou Rongtai Hardware Products Ltd. (also referred to as Rongtai). Rongtai also purchased the PUC from an unrelated producer Jieyang Mingbo Hardware Industry Co., Ltd. and resold them to India, which is separately examined in the final findings.
137. The respondents provided their commercial sales invoices, VAT invoice, packing list and shipping documents as response to the deficiency letter. The respondent has identified both MS and SS in the material exported by it. However, the PCN could not be verified based on the said documents.
138. Further, the respondent was asked to submit a translation of its invoices. It was seen that the description mentioned on the invoices was translated by the exporter to "metal products DS-816001-10 ball bearing drawer slide". However, it is seen by the Authority using Google translation that the description mentioned in Chinese shows a description of "metal products DS-816001-12 (S1) Sanjie Road Rail". This was material alteration to the document, making entire response doubtful.
139. The information provided by the exporter could not be reconciled with the DG Systems import data. The Authority, in the preliminary findings, also noted significant mismatch between the volume reported by the exporter and that reported in the DG Systems Data.

140. In view of the above, the Authority holds that the information submitted by Shantou Rongtai cannot be considered for the purpose of the determination of individual dumping and injury margin. However, the submissions made by the producer/exporter have been examined in the final findings.

**xiv. M/s Jieyang Mingbo Hardware Industry Co., Ltd. through Guangzhou Rongtai Hardware Products Ltd.**

141. Jieyang Mingbo Hardware Industry Co., Ltd. (also referred to as Jieyang Mingbo) is a producer of subject goods in China PR who exported \*\*\* MT of the subject goods to India via its unrelated trading company Guangzhou Rongtai Hardware Products Ltd. The unrelated exporter i.e., Guangzhou Rongtai has also exported to India the subject goods purchased from its related producer Shantou Rongtai Hardware Plastic Factory. Both Guangzhou Rongtai and Shantou Rongtai have provided relevant information in the prescribed exporters questionnaire format which is separately examined in the final findings.

142. Jieyang Mingbo provided its commercial sales invoices, VAT invoice, packing list and shipping documents in response to the deficiency letter. The respondent identified the PUC as SS wherever indicated in the invoice and identified the rest as MS without showing any reliable evidence. It is further seen that the description mentioned on the invoices was translated by the exporter to “drawer slider”. However, it is seen by the Authority using Google translation that the description mentioned in Chinese shows a description of “metal product rails”. This was material alteration to the document, making entire response doubtful.

143. As regards reconciliation of data, the DG Systems data shows units other than Kgs like sets, pairs, etc. while the data provided by the exporter is in Kgs. Since Jieyang Mingbo could not sufficiently provide a conversion methodology for conversion of DG systems data in sets, pairs, etc. to kgs. Thus, the information provided by the exporter could not be reconciled with the DG Systems import data.

144. In view of the above, the Authority holds that the information submitted by Jieyang Mingbo cannot be considered for the purpose of the determination of individual dumping and injury margin. However, the legal submissions made by the producer/exporter have been examined in the final findings.

**xv. M/s. Guangdong Xingpeng Industrial Co. Ltd. through Eternal Mark Singapore Pte Ltd (Eternal Singapore) and Eternal Mark Hong Kong Pt. Ltd. (Eternal Hong Kong).**

145. Guangdong Xingpeng Industrial Co. Ltd. is a producer who has directly exported \*\*\* MT of the subject goods to India. It has also exported \*\*\* MT through Eternal Mark Pvt. Ltd. (Hong Kong) and \*\*\* MT through Eternal Mark Singapore Pte Ltd.

146. At the foremost, it is noted that the respondent filed a delayed response to the Authority's email dated 19<sup>th</sup> August 2024 seeking certain information. The responding producer and exporter have provided commercial sales invoices, VAT invoices, packing list and shipping documents as response to the deficiency letter. However, it was also seen that the description mentioned on the invoices was translated by the exporter to "drawer slider". However, it is seen by the Authority using Google translation that the description mentioned in Chinese shows a description of "metal products iron rail". This was material alteration to the document, making entire response doubtful.

147. As regards reconciliation of data, the DG Systems data shows units other than Kgs like sets, pairs, etc. while the data provided by the exporter is in Kgs. Since the exporter could not sufficiently provide a conversion methodology for conversion of DG systems data in sets, pairs, etc. to kgs. Thus, the information provided by the exporter could not be reconciled with the DG Systems import data.

148. In view of the above, the Authority holds that the information submitted by Guangdong Xingpeng cannot be considered for the purpose of the determination of individual dumping and injury margin. However, the submissions made by the producer/exporter have been examined in the final findings.

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

149. M/s. Foshan Fusaier Metal Products Co. Ltd. (also referred to as "Fusaier") is a producer in the subject country and has directly exported \*\*\* MT of the subject goods to India. The volume reported by it reconciles with the DG Systems data.

150. In view of the above, the Authority accepts the information submitted by Fusaier for the purpose of the determination of individual dumping and injury margin. The same can be seen in the relevant tables in the final findings.

**xvii. M/s. Zhaoqing City Gaoyao District Kangxun Precision Manufacturing Technology Co. Ltd. through Zhaoqing City Gaoyao Districts Metal Products Co., Ltd. (Chuangyiyuan)**

151. 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 \*\*\* MT of the subject goods through its affiliate Zhaoqing City Gaoyao District Chuangyiyuan Metal Products Co., Ltd. (also referred to as Chuangyiyuan).

152. The responding producer and exporter have provided commercial sales invoices, VAT invoice, packing list and shipping documents as response to the deficiency letter. The DG systems data shows that the material exported by the respondent was MS. The respondent has also identified all the material exported by it was of MS.

153. As regards reconciliation of data, the DG Systems data shows that exports from the respondent were reported in the prescribed unit i.e., Kgs and the invoice maintained by the producer also reports unit in kgs. Hence, the exporter has been able to reconcile the data sets.

154. In view of the above, the Authority accepts the information submitted by Kangxun for the purpose of the determination of individual dumping and injury margin. The same can be seen in the relevant tables in the final findings.

**xviii. Non-cooperating producers/exporters**

155. The Authority has determined the export price for non-cooperating producers/exporters including those producers and exporters whose export price has not been accepted by the Authority on the basis reasons explained above, after considering the volume and value of imports based on DGCI&S data. Adjustments have been made for ocean freight, inland freight, insurance, handling charges, commission, and bank charges. The export price so determined is stated in the below – mentioned dumping margin table.

**Determination of Dumping margin**

156. Considering the normal value and export price determined, as explained above, it is noted that the dumping margin is more than the de-minimis limit prescribed under the Rules.

**Dumping margin**

Company	Normal value	Export price	Dumping margin		
	\$/MT	\$/MT	\$/MT	%	Range
Jieyang Zhengbiao Hardware Co., Ltd	***	***	(***)	(***)	(10-20)
Foshan Shunde Heqian Precision Manufacturing Co., Ltd	***	***	(***)	(***)	(40-50)
Zhaoqing City Gaoyao District Kangxun Precision Manufacturing Technology Co. Ltd.	***	***	(***)	(***)	(0-10)
Jieyang Zhongxing Hardware Co.Ltd.	***	***	(***)	(***)	(30-40)
Foshan Fusaier Metal Products Co. Ltd.	***	***	(***)	(***)	(20-30)
Others	***	***	***	***	40-50

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

157. 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**

158. The following submission were made by other interested parties with regard to injury and causal link:
- i) Petition was filed for 5 sampled companies. Scope of sample was expanded in PF to include Butterfly. The applicants were expected to file revised data reflecting these changes, but no such revised information has been received. Respondents have relied on the PF for the hearing and WS. The domestic industry should not be permitted to make further amendments to the data previously provided.
  - ii) Discrepancy in import volume in petition and the preliminary findings should be examined and correct volumes be confirmed by Authority.
  - iii) Imports have increased in tandem with demand due to the domestic industry not meeting demand.
  - iv) The domestic industry has shown robust growth, despite increase in imports. It's market share, production and sales has expanded. The domestic industry is expanding to meet demand and has not been displaced by imports.
  - v) The domestic industry has claimed ROCE of 22% or more on gross fixed assets for working out NIP. Claims are highly inflated and not in accordance with law. DG adopts lesser duty rule and works out NIP based on cost of production. DG should adopt ROCE earned by industry when there was no allegation of dumping as reasonable profit margin.
  - vi) The domestic industry failed to establish that dumped volume had any consequent impact. Imports from subject country show negative trend during 2020-21 and 2021-22 and only increased from 100 to 120 indexed points in POI. Imports have increased by 20% while domestic sales have increased by 155%. The domestic industry's sales and market share has also increased
  - vii) Initially, the petitioner failed to provide non confidential details regarding price undercutting and suppression and has now provided range only for POI.
  - viii) Price depression and price suppression not established. Price has substantially increased by 26% in 2021-22 and 14% in POI. Petitioner can cover ex-factory, not running into losses and is able

increase price with cost.

- ix) Petitioner's sale prices, sales margin and profitability between base year and POI has increase.
- x) There is a glaring disconnect between import price and petitioner's price. They do not align. In 2020-21, import price increased, domestic industry reduced selling price. While CIF import price increased by 14 index, petitioner raised selling price by 26%. Import price did not influence pricing. During POI, selling price increased by 14%, despite 22% increase in import price.
- xi) Petition fails to address other factors such as internal problems, depressed market conditions globally, fluctuations in the price of raw materials, impact of the pandemic COVID-19, Russia Ukraine War, shutdown of the plant etc.
- xii) The domestic industry is unable to offer range and quality of products to meet customer requirements. It cannot satisfy domestic demand for types of products while exporters have large portfolio with varying technical properties. Specifications are not substitutable. The domestic industry is disadvantaged due to number of small products. Injury has been caused due to preference for imports which is of superior quality and diversity.
- xiii) Producers/Exporters have invested in establishing large capacities and modern technologies. Higher economies of scale and lower cost of production which affects profitability. Petitioner has added capacity which has led to high capital expenditure, high depreciation and high interest costs. Operational issues have led to financial injury and not imports.

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

159. 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) The volume of subject imports increased exponentially over the injury period i.e., by almost 165%.
  - iii) Imports in relative terms are significant. Subject imports constitute almost 95% of the total imports of the subject goods into India and 77% of the total Indian consumption.
  - iv) An analysis of the appendix 1 submitted by various exporters with their exporter's questionnaire response shows that their exports to India increased over the injury period and was increasing in the alleged covid period too.
  - v) Imports are likely to be higher than what has been reported as an analysis of import data procured from secondary sources shows that imports have been made under other HS codes as well.
  - vi) Demand has increased significantly over the injury period and moved from 20,000 MT in the base year to 60,000 MT in the POI.
  - vii) The landed value of imports is significantly below the selling price of the domestic industry. The level of price undercutting is in the range of 45%-55% during the POI.
  - viii) As noted by the Authority in the provisional finding, 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 of the comparable like articles. The dumped imports have suppressed the prices of the product in the market.
- ix) With the increase in demand, new capacities were added. The Indian industry holds installed capacity in the region of 56,000 MT as against the demand of 60,056MT.
  - x) Despite significant demand and sufficient capacity, the capacity utilization of the Indian producers was significantly low. In fact, the already low level of capacity utilization had further declined in the POI.
  - xi) The increase in demand is also reflected in the domestic industry's production and sales quantities. However, such increase is insignificant considering the demand in the country and capacity established.
  - xii) The market share of Chinese imports constitutes a significant portion of the market, reaching approximately 75%. Despite the presence of sufficient capacities with the domestic industry, the Chinese suppliers appear to dominate the Indian market.
  - xiii) The domestic industry is operating at a very low profit margin. Despite strong demand, the industry has been unable to achieve higher prices, indicating that subject imports are suppressing domestic prices and profitability.
  - xiv) The profit made by the domestic industry as a percentage of cost is way below what is allowed by the Authority for even construction of normal value. The industry is not even making 1% profit. Given the demand for the subject goods, the domestic industry should have achieved higher prices and greater profits
  - xv) The domestic industry has experienced a significant increase in inventory levels despite rising demand, particularly in 2021-2022 period and in the POI. The applicant should have been able to sell the volumes produced, leading to a reduction in inventory. While, on the contrary, its inventories piled up.
  - xvi) With an increase in capacity, the employment levels with the domestic industry have also increased throughout the injury period. As a result, the wages have also increased.
  - xvii) The productivity of the domestic industry has increased in consonance with increase production.
  - xviii) Dumped imports have adversely affected both volume and price parameters.
  - xix) Dumping margin is not only more than de minimis but also significant.
  - xx) Subject imports constitute nearly 95% of the total volume of subject imports into India. Imports from sources other than China PR are insignificant.
  - xxi) The demand has significantly increased over the injury period. The domestic industry has not suffered injury due to possible contraction in demand.
  - xxii) The pattern of consumption with regard to the product under consideration has not undergone any change.
  - xxiii) The applicant is not suffering injury due to availability of substitutes.
  - xxiv) The technology as well as the production process for producing the product under consideration has not undergone any significant development.
  - xxv) There is no trade restrictive practice.
  - xxvi) There have been no exports by the domestic industry, hence export sales cannot be a reason for

injury to the domestic industry. In any case, the domestic industry has only provided information for its domestic operations.

- xxvii) The productivity of the domestic industry has improved over the injury period.
- xxviii) As regards addressing impact of factors like COVID-19, Russia Ukraine War, etc., the respondents have mere allegations without corroborating them with any evidence. The POI did not suffer with COVID -19 pandemic. Raw material price fluctuation, if any, is equally applicable on the respondents. Further, Russia-Ukraine conflict had no impact on the business of channel drawers.
- xxix) As regards the submissions on lack of supply availability, there allegations are not backed by any evidence. The domestic industry has provided different specifications of subject goods to the consumers.
- xxx) As regards injury due to operational issues, the technology adopted by the Indian producers are at par with that adopted by the subject producers. The domestic industry had been adding capacity throughout the injury period. Despite the resultant increase in production and sales, the cash profits and return on capital employed declined as compared to the base year.
- xxxi) As regards filing of revised data by the domestic industry, the same was done as per the Authority's instructions. The information filed was considered by the Authority in its provisional findings issued on 19th April 2024. No further amendments have been made. The respondents have had sufficient opportunity from the stage of provisional findings to analyze the revised data.
- xxxii) As regards discrepancy between import volume in the petition and the preliminary findings, the domestic industry considered imports based on data obtained from market intelligence in its post-initiation submission stating that it does not have complete information on imports. In any case the Authority relied upon its own data in the preliminary findings which the respondents may refer to.
- xxxiii) As regards increase in imports in tandem with demand, the demand increased by 177% over the injury period. At the same time, the volume of subject imports increased by 165%.
- xxxiv) As regards working our non-injurious price based on returns earned by industry when there was no allegation of dumping, the domestic industry has determined the NIP based on the consistent practice of the Authority and hence considered 22% return.
- xxxv) As regards there being no impact of increase in imports, the volume of subject imports increased from base year as well as from 2020-21, directly impacting the production and sales of the domestic industry.

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

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

160. 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 (total imports)
Sales of Domestic Industry	MT	***	***	***	***
Index		100	153	203	255
Sales of Other Indian Producers	MT	***	***	***	***
Index		100	173	338	317
Total sales	MT	***	***	***	***
Index		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
Index		100	168	285	277

161. It is seen that the demand for the product increased significantly over the injury period with marginal decline in the POI.

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

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

162. 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
					(total imports)
<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

163. It is seen that:

- a. Imports from China has increased significantly throughout the injury period with marginal decline in the POI as compared to 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. The Indian industry has capacity to cater almost 95% of the existing demand despite which subject import's share in consumption has remained significantly high.

164. The Authority holds that the imports of the product under consideration have increased in absolute term and has remained at significantly high level in relation to production and consumption in India over the injury period. It has been contended that the imports have increased in tandem with demand, however, it is noted that despite domestic industry having sufficient capacity, subject imports command **77%** of the Indian market.

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

165. 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.

166. 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**

167. 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. It is seen that the imports are undercutting the prices of the domestic industry to the extent of 49%.

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

168. 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.

b) **Price Suppression or Depression**

169. For the purpose of analysing price suppression and depression effect of the dumped imports on the domestic industry, the Authority has compared 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	***	***

170. 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 of 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

171. 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:

#### a) Capacity, Production, Capacity Utilization and Sales

172. 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

173. It is seen that:

- a. 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.
- b. Considering the sudden and sharp increase in demand for the product, new capacities were added by the manufacturers in India in the POI.
- c. 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.
- d. 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 17-18% 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.

**b) Market Share in Demand**

174. 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	%	10	9	7	9
Other Indian Producers	%	8	8	10	9

175. 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 9% in the Indian market in the POI. The Indian industry collectively holds 18% of the market share. This is despite the fact that the Indian industry collectively holds a capacity of about 56,000 MT as against established demand of 60,056 MT during the POI. Thus, majority of market share is with the subject imports even when the domestic industry has significant capacity lying unutilised.

**c) Profitability, Cash profits, and Return on Capital Employed**

176. 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

177. It is seen that:

- a. The domestic industry has been earning meagre profits on the cost of sales.
- b. 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.
- c. 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.

178. The Authority 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 till 2021-22, further declined in the year 2022-23 and increased in POI period. Given the demand for the subject goods, the domestic industry should have achieved higher prices and greater profits.

**d) Inventory**

179. 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

180. 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 30% of the production of domestic industry of POI.

**e) Employment, Wages and Productivity**

181. 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

182. 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.

**f) Growth**

183. 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	%	(***)	(***)	***

184. 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.

**g) Magnitude of Dumping and Dumping Margin**

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

**H. CAUSAL LINK**

186. Analysis of the performance of the Domestic Industry over the injury period shows material injury to the domestic industry caused by the dumped imports. 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 has remained significant in relative terms. Imports have increased despite domestic industry's capacity lying grossly unutilised.

- b. PCN wise landed price of imports is below the level of selling price and also below the cost of sales in the POI causing price suppression.
- c. Market share of dumped imports in total demand in India is around 77% whereas Indian industry holds only around 18% of market share in demand.
- d. 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.
- e. Increase in imports have led to increase in inventory levels.
- f. The Domestic Industry's profitability and return on capital employed is also adversely affected in view of the presence of dumped imports. PBT as a percentage of cost is only around 0.25% in the POI.

187. The above analysis shows that the domestic industry is suffering material injury due to increase in dumped imports of PUC into India from subject country. There exists a causal link 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**

188. 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**

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

##### **b. Contraction of demand**

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

##### **c. Changes in pattern of consumption**

191. 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**

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

**e. Developments in technology**

193. 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**

194. 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**

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

**J. MAGNITUDE OF INJURY MARGIN**

196. The Authority has determined the NIP for the domestic industry as per principle laid down in Annexure III of the Rules. The NIP of the PUC has been determined by adopting the information/data relating to the cost of production provided by the domestic industry for the period of investigation. The NIP 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 of the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilisation of production capacity over the injury period has been considered. It is ensured that no extraordinary or nonrecurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) for the PUC was allowed as pre-tax profit to arrive at the non-injurious price. The NIP so determined has been considered for calculating injury margin.

197. Based on the landed price and NIP determined as above, the injury margin for producers/exporters as determined by the Authority is provided in the table below:

Company	Non-Injurious Price	Landed Price	Injury Margin		
	\$/MT	\$/MT	\$/MT	%	Range
Jieyang Zhengbiao Hardware Co., Ltd	***	***	(***)	(***)	(30-40)
Foshan Shunde Heqian Precision Manufacturing Co., Ltd	***	***	(***)	(***)	(40-50)
Zhaoqing City Gaoyao District Kangxun Precision Manufacturing Technology Co. Ltd.	***	***	(***)	(***)	(20-30)
Jieyang Zhongxing Hardware Co.Ltd.	***	***	(***)	(***)	(40-50)
Foshan Fusaier Metal Products Co. Ltd.	***	***	(***)	(***)	(30-40)
Others	***	***	***	***	20-30

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

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

198. 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.
- 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**

199. 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) The imposition of provisional anti-dumping duties has been instrumental in reviving the domestic industry, which was struggling under the burden of dumped imports. Several manufacturing facilities that were on the brink of closure have resumed operations and are expanding their capacity. This has not only preserved jobs but has also contributed to the overall health of the domestic industry.
- iii) Since the imposition of interim duties, the domestic industry has witnessed increased capacity utilization. As demand for the subject goods continues to rise, many existing producers are actively expanding their production capabilities to meet the growing market needs.
- iv) Several new producers are entering the market. These new entrants are investing a combined total of approximately Rs. 80 Crores and are expected to create over 250 jobs. Additionally, other companies like Dorset and Ozone have expressed their intention to invest in the industry to capitalize on the increasing demand and support the imposition of anti-dumping duties.
- v) 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.

- vi) 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.
- vii) The domestic industry was operating at significantly underutilized capacity prior to the imposition of provisional duties. Underutilization of capacities in MSMEs leads to financial difficulties, tax defaults, and disruptions in production and operations. The influx of dumped imports has further exacerbated these challenges. To ensure the survival and growth of the domestic industry, it is crucial to maintain a level playing field through the continued application of anti-dumping duties.
- viii) The primary raw materials for the subject goods are mild steel and stainless steel, which are sourced domestically. As the domestic industry improves its capacity utilization, there will be increased demand for these raw materials from the steel industry.
- ix) 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. The furniture industry also includes other producers in the unorganized market. Telescopic channels, constitute a relatively small percentage of the overall product cost. For example, in a table priced at Rs. 20,000, three sets of telescopic channels would account for approximately Rs. 700, representing less than 3.5% of the total cost. Hence, none of the downstream users would be adversely affected by the imposition of definitive duties.
- x) The Authority also in the provisional finding noted that the impact of ADD is minuscule on the downstream industry and end customers. Further, the increased number of domestic producers will enhance competition within the Indian market, keeping price increases in check.
- xi) In the public hearing conducted after the imposition of interim duties, none of the users of the subject goods came forward to argue any adverse impact of the interim duties. The majority of participants in the investigation were importers from China who rebrand and resell the products in the Indian market.
- xii) 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.
- xiii) 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 11.20% 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.
- xiv) As regards the quality of the product produced by the domestic industry, the respondents have merely contended that the like article is of poor quality, however, it's important to note that no technical evidence has been submitted to substantiate this claim.
- xv) The claims made regarding the quality of domestic products are unsubstantiated. Many domestic producers are BIS-certified, indicating adherence to quality standards. The salt spray test is a basic

quality assurance measure that domestic producers routinely pass. The respondents' claims of inferior quality appear to be a pretext to justify the import of cheaper products.

xvi) Imposition of definitive duties would not only remedy the Indian industry but also create demand for upstream producers who have capacities far beyond Indian demand.

xvii) 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**

200. 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.
201. 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.
202. 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.
203. 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 insignificant. 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.

204. 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 emphasizes 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.
205. 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 range of 60,000 – 70,000 MT and therefore Indian industry could have catered to nearly 95% of the demand for the product in the country. With new investments being made in the country, the current demand-supply gap is likely to be addressed by the Indian industry soon. This will enhance domestic competition in the market, ultimately benefiting consumers. 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.
206. 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.

207. As submitted by the domestic industry, following the imposition of the provisional duty, discussions are underway to install 20 new production lines for the subject goods, with each line capable of producing around 2000 MT per year. The duty has enabled the domestic industry to boost its production levels, and some producers that had previously shut down are now resuming operations. The increase in production and improved utilization rates indicate that the quality concerns raised by interested parties are not entirely accurate. The products manufactured by the domestic industry are acceptable to consumers.
208. 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. POST DISCLOSURE COMMENTNS**

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

209. The following submissions have been made by other interested parties:
- i) The time granted to file comments on disclosure was highly insufficient. The respondents need time to analyze the disclosure statement and effectively defend their interests. The time to complete investigation was extended by only 1 month when an extension can be granted up to 6 months. Further, the disclosure statement was extremely belated.
  - ii) The Authority is requested to exclude drawer runner system from the PUC scope. It is a high-end product with various parts and components. The Authority has referred to multiple names of the same product while excluding them from the PUC scope, which are trade names used by various companies. It should be clarified that products similar to such products but having different names are outside the scope of the PUC, such as “drawer systems”.
  - iii) The set up, machinery, and components required for its production of undermount slides are different and hence it should be excluded from the scope of the investigation. It must be clarified if undermount slides have been produced and sold by the domestic industry in commercial quantities during the POI.
  - iv) Information provided by the respondent regarding 4 additional producers, with a capacity of 13,00,000 sets/ month, who have not been identified by the petitioner to establish standing was ignored by the Authority.
  - v) Imports by the constituents of the domestic industry can only be compared to their own production and not total demand and capacity. Such imports were made due to lack of such products in the petitioner’s range. Scope of sampled producers, standing, dumping, injury and causal link should be reassessed after excluding importing domestic producers.

- vi) The respondents fully cooperated and submitted data and other information as and when sought. Rejection of entire response is in violation of Rule 6(8).
- vii) The respondents are open to onsite verification at their premises to resolve all issues.
- viii) The import data with the DGTR contains information in Pcs/Nos/sets/kgs. While DGTR has worked out total imports in Kg, the basis for conversion has not been disclosed.
- ix) It is contended by Foshan Fusaier Metal Products Co. Ltd. that the PCN was indicated against each of transactions in their response. It is common practice in the industry that MS goods are exported without noting “mild steel” whereas SS is expressly identified in the commercial invoice/ VAT invoice/ packing list. The shipping documents filed also indicate the PCN and reconcile with each other. Further, a signed declaration was given with the relevant supporting documents and the identification method was explained during verification. The sufficient evidence to identify PCN was provided. It has further been contended by Guangzhou Jino Hardware Technology Co. Ltd., Guangdong Taiming Metal Products Co. Ltd. and Jiayang Zhongxing Hardware Co. Ltd. that it is highly unlikely that the domestic industry also mentions mild steel expressly in its export documents. The Authority may assume PCN as it deem-fit for the exports that are not verifiable and not reject entire information.
- x) The Authority noted that Foshan Fusaier Metal Products Co. Ltd merely stated, without providing supporting evidence, that all material it exported was MS. No such statements was made by it. Moreover, DG Systems data also indicated the PCN.
- xi) Jiayang Zhongxing Hardware Co. Ltd. also provided its purchase ledger indicating purchases of cold rolled steel i.e., MS. The sample invoices also clearly note “iron” i.e., mild steel.
- xii) The Authority stated that DG Systems data shows units other than Kgs, although the DG Systems data shared with the respondents only shows Kg.
- xiii) Guangdong Jino Hardware Industrial Co. Ltd, Dongguan Litong Precision Slide Manufacturing Co., Ltd, Guangdong Taiming Metal Products Co., Ltd and Jiayang ZhongXing Hardware Co., Ltd stated that the commercial invoice records units in “sets” but packing list reports both “sets” and “net weight”. Therefore, no conversion methodology was applied. Further, there cannot be a standard conversion methodology due to difference in width, length, thickness and base metal. The commodity is traded in “sets”, as may also be seen from the domestic producers’ invoices. It has been contended that Foshan Fusaier Metal Products Co. Ltd. and Guangdong Xingpeng Industrial Co. Ltd. provided a reconciliation between quantity in Kgs reported in DG Systems and the EQR. 100% verification was done in the present case but the Authority neither highlighted any concerns about the documents submitted nor did it identify any documents that did not correlate.
- xiv) The discrepancy between data sets could be due to difference in invoice date and BoE date, double counting of subsequent transfer to normal customs from bonded warehouse, exclusion of air freight, exclusion of SEZ imports, use of different units, bundled invoicing, lack of bill of entry records and price reporting differences.
- xv) Foshan Fusaier Metal Products Co. Ltd. prepared its EQR using packing list declared to Indian customs and reflected in DG Systems data based on BoE filed by EBCO, its importer. Further,

- Guangdong Xingpeng Industrial Co. Ltd along with other documents available to it submitted BoE for its transactions to Godrej, which amount to the majority of its exports.
- xvi) It has been contended by Shantou Rongtai Hardware Plastic Factory and Jieyang Mingbo Hardware Industry Co. Ltd. submitted conversion between the size and weight provided by their technology staff. Any variance from actual weight is no more than 15%. Dimension of the product was also shown under “size” column.
  - xvii) It has been contended by Jieyang Mingbo Hardware Industry Co., Ltd. that the volume could not be reconciled because data includes NPUC. After excluding NPUC, the PUC could be identified, but the records lack essential details such as importer information, container numbers, etc. Import records are based on the time of customs clearance, while respondent only has information on the time of export declaration. Further, Guangdong Xingpeng Industrial Co. Ltd. has requested the Authority to provide transactions of DG Systems data that could not be correlated along with invoice number, description, importer name, quantity and unit, grant time to examine the data, allow a short personal hearing to offer comments, revise disclosure statement after considering clarifications, and grant the respondents individual duty.
  - xviii) It has been stated by Dongguan Litong Precision Slide Manufacturing Co., Ltd., Guangdong Jino Hardware Industrial Co., Ltd., Guangdong Taiming Metal Products Co., Ltd. and Jieyang ZhongXing Hardware Co., Ltd that if a conversion methodology is provided by the domestic industry, the Authority should have applied such methodology to verify the information provided by the respondent.
  - xix) It has been contended by Foshan Fusaier Metal Products Co. Ltd., Guangdong Xingpeng Industrial Co. Ltd, Shantou Rongtai Hardware Plastic Factory and Jieyang Mingbo Hardware Industry Co., Ltd that there is no material alteration in the VAT invoices. The respondent submitted its original VAT invoice and for ease of reference provided English annotation of the Mandarin descriptions. The terms were translated so to avoid confusion, as was clarified during verification. Google Translation does not fully capture the essence and context of the term. This is substantiated through the respondent’s product brochure and screenshot of a Chinese website showing alternate names of the subject goods.
  - xx) It has been contended by Jieyang Mingbo Hardware Industry Co., Ltd. that the import declaration quantity might be \*\*\* Kg, while its trader Rongtai’s export declaration quantity is \*\*\* Kg. The overall difference in import declaration is minimal. Further, there is also distortion in import declaration values. The price taken for import declarations is about \*\*\* RMB/Kg, while Rongtai’s average export sales is \*\*\* RMB/ Kg and purchase price is \*\*\* RMB/Kg.
  - xxi) Guangdong Hongli Hardware Co., Ltd has contended that the Authority may consider revised EQR filed by it to report direct exports. If its direct exports are not considered, all information should not be rejected. It is not even doubted by the Authority that export price information through Hafele Asia is accurate and has been verified.
  - xxii) It has been contended by Zhongshan Haibao Precision Hardware Co., Ltd. that the data reported by it and Eternal Mark match. There is no reason for it to wrongly inform its name. The certification along with government website screenshot show that Haihui was erstwhile name of Haibao. Further, if Eternal Mark has reported a lower purchase volume from Haibao/ Haihui, then Authority may consider actual price of such volume and assume adverse fact for

- remaining. If Eternal Mark has reported a higher purchase volume from Haibao/ Haihui, then Authority may consider actual price of volume declared by Haibao and assume adverse fact for remaining.
- xxiii) The Authority should at least disclose the figures of mismatch in range or how much volume of export as a percentage of total export is affected by the alleged mismatch.
  - xxiv) There is a glaring disconnect between import price and petitioner's price, which it was able to raise and offset rising costs. Further, the petitioner gained market share over the injury period. The increase in its sales was more than the increase in imports. Capacity addition led to decreased utilization. Further, profitability and cash profits on a total basis would show a significant surge.
  - xxv) An increase in salaries and wages reflects petitioner's financial stability and an increase in productivity shows its operational efficiency and ability to thrive despite alleged dumping.
  - xxvi) The recent capacity addition is not due to interim duty, but QCO which will come into effect on 8<sup>th</sup> November 2024. Petitioner has already received adequate regulatory protection, there is no need to impose additional duty.
  - xxvii) Authority cannot create unreasonable burden of proof on the respondent in a manner that cooperation in the investigation becomes practically unachievable. The Appellate Body in US-HR Steel also considered that para 2 and 5 of Annex II and Article 6.13 of the ADA call for a balance between the interest of the investigating authority and the exporters.
  - xxviii) WTO Appellate body in US-Antidumping and Countervailing measures on steel plate from India concluded that unavailability of some information cannot justify rejection of entire information. If the information submitted can be used unless it is shown that the missing information affected the reliability or validity of the remaining information.
  - xxix) The Non-Injurious Price ('NIP') of the DI and the corresponding injury margin for the producers/exporters should be re-examined. Reconsider the calculation of the NIP and impose a positive injury margin for the above-mentioned producers/exporters,

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

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

- i) The interested parties claimed that the Authority requested excessive information. However, the Authority asserts that the information sought is necessary to verify the authenticity of the data provided and accurately calculate the export price. This practice is common among global authorities.
- ii) In an anti-dumping investigation being conducted by the GCC against imports of ceramic sanitaryware products from China and India, the GCC Authority found discrepancies between the invoice values submitted by an Indian exporter and the customs data. Despite verifying all invoices and details from the accounting system maintained by the company, the Authority proposed to disregard the information submitted by the company and use best available information instead.

- iii) Majority of the responses were highly deficient. The respondents did not submit their VAT invoice not given, provided incorrect translation of the product description, did not submit sufficient information to verify PCN, did not give methodology for calculation of weight in Kgs, or their data did not reconcile with the DG Systems data.
- iv) The Authority accepted three responses producers and decided to calculate individual margins for them. These producers identified the PCN which aligns with the DG Systems data and were able to reconcile their data with the DG Systems data because all exports were reported in KGs. However, import data from secondary source shows that the volume of subject exports by these proposed is negligible in comparison to the total imports of the subject goods into India and total demand for the subject goods in India. Hence, their export price is not reliable and reflective of the actual value of exports.
- v) Previous cases demonstrate that producers with low exports may file responses, obtain lower duties and subsequently increase their exports. From the recently concluded PET Resin case it is seen that the exporter obtained lower duties and later increased its exports by 316%. Further, in the AD investigation concerning welded stainless steel pipes and tubes from Thailand and Vietnam, the Authority examined the export volume of TVL in relation to total imports and domestic demand in India. Due to TVL's low export volume, the Authority rejected TVL's claim for an individual duty rate.
- vi) The Authority is requested to disclose the NIP to the domestic industry as per the format for disclosure of NIP provided in the manual of standard operating practices to enable the domestic industry to make effective comments.
- vii) A domestic source of supply can help India become self-reliant. While the foreign producers may prioritize other markets for profit, while domestic producers are more likely to focus on domestic needs. Without duties, the domestic industry will continue to suffer, potentially leading to increased reliance on imports.
- viii) The Authority should recommend duty for a period of 5 years and express the duties in US\$. Further, the anti-dumping duty may be imposed only as fixed quantum of anti-dumping duty (fixed form of duty), expressed as duty in US\$/MT.

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

211. The Authority has examined the post disclosure submissions made by the interested parties. It is noted that comments which are reiterations and have already been suitably examined and adequately addressed in the relevant paras of the final findings, are not being repeated in the post-disclosure examination by the Authority for the sake of brevity. The issues raised for the first time in the post disclosure comments/submissions by the interested parties and considered relevant by the Authority are examined below.

- i) As regards the argument that sufficient time has not been provided, it is noted that the authority has granted time to the interested parties having regard to the time required to complete the investigation. Further, on request, the Authority granted extension of time to all interested parties.

The Authority notes that there is no prescribed minimum time under the Indian Rules or WTO Agreement in this regard. As regards possibility of longer extension of time for completion of investigation, the Authority considers that the same is prerogative of Ministry of Finance. In any case, sufficient time was provided to the parties to offer comments on the disclosure statement.

- ii) As regards exclusion of drawer runner system, the Authority has already considered submissions of the parties and has excluded products such as kitchen and bedroom fittings (such as trouser pull-out, slide mounted ties rack), slim box/ slim ergo, ultra slim box/ super slim ergo, Legra box, tandem box (drawer), Econo box, slim tandem box, double wall box, compact box, slimline tandem box, double wall drawer, matrix box from the scope of the PUC. The Authority considers that specification of multiple names for the same product would at the least ensure that the duty is not demanded on a product sought to be excluded. This was considered necessary in view of the fact that the product is being imported in different names. If all possible names for the product are not specified, the same can lead to undue hardship at the time of clearance of the material. The Authority also notes that the word “drawer runner system” is quite generic and not specific to any particular product. Usage of such generic name can lead to significant implementation challenges.
- iii) With regard to exclusion of undermount slides, the Authority notes that the same is being produced and sold by the domestic industry. Further, the Authority had prescribed PCN for the product after considering submission of all the parties.
- iv) With regards to existence of other producers and lack of standing, the four new companies were identified by the interested parties as the producers of the PUC after issuance of disclosure statement. The interested parties have never brought this fact before the Authority during the course of investigation. The interested party have merely given capacity figures of the four companies without providing any substantial evidence. Therefore, the submission made by the interested party in this regard is not taken into cognizance at this belated stage.
- v) With regard the contention that imports made by the constituents of the domestic industry can only be compared with their own production and not with total demand and capacity, the Authority notes that there is no legal prescription that the imports made by a company should be compared only with their own production. Since the purpose of examination is to understand the level of activity carried out by the entity and further considering that the companies are MSME, it would be more appropriate to consider the import volumes in relation to Indian production and consumption. In any case, if imports made by the company is considered in relation to their own production and capacity, it is noted that the import made by them still constitutes a small share in relation to their own production and capacity. In so far as Butterfly is concerned, the Authority notes that the company had set up a new manufacturing facility and therefore its imports must be seen in relation to capacity. In any case, the company had imported these products only along with machine and these were produced in China PR as a sample production to test the machines purchased by the company.

- vi) Various arguments have been raised on the information sought for determining export price. At the outset, it is noted that multiple deficiency letters were issued to the parties seeking information and explanations as the replies provided were not satisfactory. Further, meetings were also granted to discuss the requirements. However, most of the responding producers have not provided all information necessary to verify export price. The information sought and their relevance is summarised below. The Authority sought the following supplemental information from the participating exporters:
- a) Reconciliation of volume in EQR and volume in the DG Systems data. This is relevant as significant variations were found between the two data sets.
  - b) Conversion methodology of various units to kgs. This is important for correct identification of weight and examination of export price.
  - c) Details of raw materials purchased, production of different types of products, sales register from accounting system, to examine correctness of the information provided, and identification of PCN.
  - d) Details of production codification system adopted by the company, to examine the correctness of volumes, conversion methodology and PCN identified.
  - e) VAT invoices with translation, packing list and shipping documents, considering the technical nature of the product, and difficulties in identification of PCN, the issue of conversion methodology.
  - f) Export to third countries with product code, length & width of the channel, to ascertain correctness of the volume and value reported for exports to India.
  - g) Copy of production report from the SAP or any other accounting system.
  - h) Details like product code, PCN, size, dimensions (length, width, thickness) of the subject exported to India, with evidence for weight.
  - i) Details of production, sales (domestic and export to all countries) and stocks position of each product/PCN.
  - j) Explanation on how different products are covered in the same code or how the weight differs for the same product in different transactions.
  - k) Explanation for difference in price for export of the same product with the same weight to a single customer on the same date.
- vii) The information sought by the Authority is necessary and not excessive. The information is crucial for accurately assessing the export price, verifying the correctness of export volume, and addressing discrepancies observed in the data. The price of the product is significantly influenced by the raw material used, making verification of the PCN essential. Additionally, the weight of the product can vary based on its specifications, such as length and thickness, emphasizing the importance of this information. Further, this type of data is also commonly requested by other investigating authorities.
- viii) As regards the contention that the exporters have cooperated and submitted all the information sought by the Authority, as noted hereinabove, the exporters have not provided significant information relevant for the proposed determination. When the relevant information itself has not been submitted, the Authority notes that no useful purpose would have been served by undertaking onsite verification. Onsite verifications are conducted for the purpose of verifying

the accuracy of information already provided. The opportunity of onsite verification is not available for collection of fresh information. In the present case, the exporters have not provided information at the first place and therefore it was not even feasible to undertake verification of the information. In any case, the exporters could not have provided such missing information at the time of verification.

- ix) With regards to identification of PCN of quantity exported by the producers/exporters, the Authority notes that some of the producer/exporters have not provided adequate information as noted hereinabove in section relating to determination of dumping margin. The Authority notes that such information is vital to examine export price. Information such as purchase and consumption of different types of steel, total volume and value of production, production report, purchase registers with clear identifications, conversion methodology of various units to kgs are necessary to establish correctness of the PCN and weight of the product reported in the questionnaire response. However, none of the exporters whose data has not been accepted provided such information, as mentioned in detail in the relevant paragraphs hereinabove. The Authority notes that unless such information is made available, it is not possible to determine export price for different PCNs exported to India.
- x) As regards the contention by several exporters that weight of the transaction was available in packing list wherever the invoice was not in weight, the Authority notes that the authority has not rejected questionnaire response solely for the reason that the weight of the consignment is not mentioned in invoice or packing list. The Authority has made other observations as well why the questionnaire response could not be accepted. As stated under section relating to dumping margin, the Authority notes that a number of significant information were not provided by these exporters and therefore it was not feasible to determine export price on the basis of questionnaire response.
- xi) As regards the contention of Shantou Rongtai and Jieyang Mingbo, the Authority notes that the exporter itself admitted that the weight variation could be more than 15%. The Authority notes that a weight variation of 15% is not insignificant. Further, it was also noted that the information requested such as purchase register of raw material used in production of the subject goods was not provided by the respondent. In any case, the exporter's response cannot be accepted as it materially altered the translation in its invoice, did not provide information to verify the PCN and did not provide a conversion methodology for converting units like sets, pairs, etc. to KGs.
- xii) As regards possible adoption of the methodology given by the domestic industry, the Authority notes that since the product is produced and sold with two different raw materials – mild steel and stainless steel, and there are significant differences in the cost and price of the product depending on raw material, unless complete details of raw material consumption and production are provided, it was not possible to reconcile the response relating to exports to India without this information. The domestic industry has indeed provided separate information relating to product produced using different raw materials.

- xiii) As regards contention of Shantou Rongtai Hardware Plastic Factory and Jieyang Mingbo Hardware Industry Co., Ltd that there was no material alteration of the Chinese version in English and the exporter provided for ease of reference English connotation of the Chinese description, the Authority notes that the exporter was directed to provide English translation of the Chinese document. Exporter was not asked to explain the document. The exporter was asked to translate and provide English version of the document.
- xiv) The Authority notes that Shantou Rongtai and Jieyang Mingbo itself has admitted a difference between the quantities reported in the response and quantities reported in DG Systems. Further, the respondents have admitted distortions in import declarations values as well.
- xv) As regards contention of Guangdong Hongli, the Authority notes that the exporter itself has admitted having filed revised EQR with significant difference. Further, the Authority noted other deficiencies in the information as noted under section relating to dumping margin above. It was noted that the respondent failed to provide its VAT invoices. Further, other information such as purchase register of raw material used in production of the subject goods was also not been provided by it. Hence, the veracity of its claims regarding the PCN could not be verified.
- xvi) As regards contention of Haibao, as also noted above, the Authority notes that the questionnaire response remained significantly deficient. Even if the Authority accepts the claim that Haihui is in fact Haibao, the response filed by Haibao would still not reconcile with the response filed by all its traders. Thus, the volume and value could not be reconciled.
- xvii) As regards the contention that salary and wages paid by the domestic industry increased over the period, which shows their financial stability; and the productivity showed improvement, the Authority notes that injury to the domestic industry is required to be concluded having regard to examination of all the injury parameters. Possible improvements in one or more parameters does not imply that the performance of the domestic industry has not deteriorated. The Authority has found that the performance of the domestic industry has deteriorated in respect of a number of pertinent economic parameters.
- xviii) As regards the contention that introduction of QCO has led to capacity addition, the Authority notes that the present determination is based on POI. The Authority has concluded existence of dumping causing injury to the domestic industry having regard to data/information for the POI. The fact that the domestic industry is further adding capacities in the post POI – whether due to imposition of interim duty or due to introduction of QCO – is irrelevant in deciding whether the product has been dumped into Indian market and whether the same has caused injury to the domestic industry.
- xix) As regards the contention that the Authority has created unreasonable burden on the exporters, the Authority notes that it had sought only such information as is considered relevant and necessary for the purpose of determination of export price. If the product has been transacted in numbers, the product is produced by mild steel and stainless steel, and there are a number of different product types having significantly different cost and price, it was important to precisely

determine volume and value of exports of different PCN for the purpose of precise determination of export price and consequently dumping margin. For the purpose, it was necessary to get information with regard to raw material consumption, production and sales made by the companies. The Authority considers that this information in anyway cannot be considered unreasonable. In fact, the Authority seeks such information in case of companies in market economy countries as a part of initial questionnaire, or supplementary questionnaires. If the exporters in market economy are required to provide such information at the initial stage of questionnaire response and if the Authority calls supplementary information from such exporters, it cannot be contended that the information demanded by the Authority was unreasonable.

- xx) As regards reference to the WTO Appellate Body decision, the Authority notes that only information that was relevant from the Chinese producers in the present investigation was information pertaining to export price. If complete information with regard to export price determination itself has not been made available, it cannot be contended that only some information was missing in the questionnaire response. In fact, as noted in the section relating to dumping margin, significant information was not provided by the exporters preventing determination of individual export price.
- xxi) With regard to the submission made by interested parties for re-examination and disclosure of the NIP, the Authority notes that NIP has been calculated in accordance with Annexure III of Anti-dumping Rules and disclosed as per consistent practice of the Authority.

#### **M. CONCLUSION AND RECOMMENDATION**

212. Having regard to the contentions raised, 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 as follows:
- i) The investigation was initiated *suo moto* 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 Authority, based on volume of production and sale, and size of the company (large and medium scale), sampled 6 Indian producers i.e., Jenil Techno Industries, Slide Tech Industries, Suketu Enterprise, Kiara Sliders (India) Pvt Ltd, Vinayak International and Butterfly Drawer Slide Manufacturing Company for providing costing and injury information. The sampled domestic producers constitute domestic industry, within the meaning of AD Rules.
  - iii) The scope of the product under consideration is “Telescopic Channel Drawer Slider” originating in or exported from China PR. However, considering the arguments of the other interested parties, products such as kitchen and bedroom fittings (such as trouser pull-out, slide mounted ties rack), slim box/ slim ergo, ultra slim box/ super slim ergo, Legra box, tandem box (drawer), Econo box, slim tandem box, double wall box, compact box, slimline tandem box, double wall drawer, matrix box have been specifically excluded from the scope of the product under consideration.

- iv) Channel made of Mild Steel, and Channel made of Stainless-Steel carry significantly different cost and price, considering that the raw material i.e., steel constitutes around 75-80% of the costs of production, and these products are produced using different raw materials. Therefore, comparison has been carried out separately for mild steel and stainless steel.
- v) The subject goods are classifiable under the customs sub-headings 83024110, 83024190, 83024200, and 83024900.
- vi) The goods produced by the domestic industry is like article to the subject goods being imported from the subject country in terms of Rule 2 (d) of the AD Rules.
- vii) The product under consideration has been exported to India at a price below the normal value, resulting in dumping. The volume of imports and the dumping margin of the subject goods from the subject country were found to be above de-minimis level and also significant.
- viii) 28 producer/ exporters from the subject country registered themselves in the present investigation and filed a response to the prescribed questionnaire. The Authority, in view of deficient response filed by exporters and observing significant variations in the volume of exports reported by the exporter and the volume of imports reported in the DG Systems rejected questionnaire response by all exporters at the time of interim determination. In view of complexities involved in precisely determining export price, the responding companies were directed to provide additional information and explanation. This inter-alia included reconciliation of export volume as reported by the exporter and as seen from the DG Systems data, VAT invoice with translation, packing list, shipping documents, information regarding volume of total production, volume of sales, details of raw materials, and stocks, conversion methodology of different units to Kgs, explanation on why products with same description carry different weight, product specifications, production report from the accounting system used by the exporters. Information provided by five (5) producers, namely, Jieyang Zhengbiao Hardware Co., Ltd, Foshan Shunde Heqian Precision Manufacturing Co., Ltd, Zhaoqing City Gaoyao District Kangxun Precision Manufacturing Technology Co Ltd, Foshan Fusaier Metal Products Co. Ltd and Jieyang Zhongxing Hardware Co.Ltd. reconciled with the DG Systems data. These companies have therefore been granted individual dumping and injury margin.
- ix) The remaining exporters have not provided all relevant information despite sufficient time given. Some of these companies have not provided VAT document (given to Chinese customs), sufficient information to establish accuracy of the PCN identified, raw material details, and even given document with wrong translation of the product description. It is also noted that the weight for transactions with identical descriptions was different. Thus, the veracity of the export price could not be established for all these exporters. Since correct determination of export price is critical for both dumping margin and injury margin, response filed by these other producers have not been accepted and individual dumping margin and injury margin have not been determined.
- x) Imports of subject country constitute a majority of the total imports into India throughout the injury period and constitutes almost 94% of total imports in the POI.
- xi) Imports have increased significantly over the injury period. There was a sharp rise of almost 165% in the volume of imports from the subject country from the base year to the POI.

- xii) The subject imports have captured 77% of the Indian market despite Indian industry having sufficient capacity to meet approximately 90% of the domestic demand. However, the market share of the Indian industry as a whole during the POI was a meagre 18%.
- xiii) The imports are undercutting the prices of the domestic industry. The landed price of imports is materially below the selling price and cost of production of the domestic industry. Imports are causing price suppression in the domestic market.
- xiv) The performance of the domestic industry in terms of production, capacity, sales volumes is quite adverse and much below optimum levels and prevailing demand in the country. The capacity is grossly underutilised.
- xv) The domestic industry's share in demand is merely 9% in the POI and that of Indian industry as a whole is 18%. The Indian industry could have achieved 90% market share in India in the absence of dumping in the Country.
- xvi) The performance of domestic industry in terms of profit, cash profits and ROI have been adversely affected by the dumped imports.
- xvii) The inventories with the domestic industry have increased throughout the injury period, and especially in the POI.
- xviii) The domestic industry has suffered material injury as a result of dumped subject imports. The injury margin is significant.
- xix) The Authority has examined the submissions made by the parties on any other factors which could have caused injury to the domestic industry. No other factor has 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 China.
- xx) The Authority has quantified the impact of the anti-dumping duty on the consumers. 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 impact on the consumers.

213. Having initiated and conducted the investigation into dumping, injury, and causal link in terms of the provisions laid down under the Anti-Dumping Rules, the Authority is of the view that imposition of the anti-dumping duty is required to offset the dumping and consequent injury. The Authority considers it necessary to recommend imposition of the anti-dumping duty on the imports of the subject goods originating in or exported from the subject country.

214. Having regards to the lesser duty rule followed, the Authority recommends imposition of anti-dumping duty equal to the lesser of the margin of dumping and the margin of injury so as to remove the injury to the domestic industry. Accordingly, the Authority recommends imposition of anti-dumping duty on the imports of subject goods originating in or exported from the subject country, equal to the amount mentioned in Col. 7 of the duty table appended below, to be issued in this regard by the Central Government. The landed value of the imports for this purpose shall be the assessable value as determined by the Customs under Customs Act, 1962 and applicable level of the customs duties except duties levied under Section 3, 3A, 8B, 9, 9A. of the Customs Tariff Act, 1975.

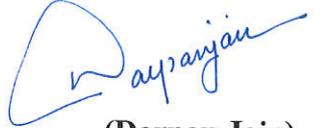
**Duty Table**

<b>S N</b>	<b>Heading/Su b-Heading</b>	<b>Descriptio n of goods</b>	<b>Countr y of origin</b>	<b>Countr y of export</b>	<b>Producer/Expor ter</b>	<b>Amou nt</b>	<b>Unit of measureme nt</b>	<b>Cur renc y</b>
(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 includin g China PR	Jieyang Zhengbiao Hardware Co., Ltd	NIL	MT	USD
2	--do--	Telescopic Channel Drawer Slider	China PR	Any Country includin g China PR	Foshan Shunde Heqian Precision Manufacturing Co., Ltd	NIL	MT	USD
3	--do--	Telescopic Channel Drawer Slider	China PR	Any Country includin g China PR	Zhaoqing City Gaoyao District Kangxun Precision Manufacturing Technology Co. Ltd	NIL	MT	USD
4	--do--	Telescopic Channel Drawer Slider	China PR	Any Country includin g China PR	Jieyang ZhongXing Hardware Co.Ltd.	NIL	MT	USD
5	--do--	Telescopic Channel Drawer Slider	China PR	Any Country includin g China PR	Foshan Fusaier Metal Products Co. Ltd.	NIL	MT	USD
6	--do--	Telescopic Channel Drawer Slider	China PR	Any Country includin g China PR	Any producer other than at serial number 1, 2,3,4&5	422	MT	USD

S N	Heading/Su b-Heading	Descriptio n of goods	Countr y of origin	Countr y of export	Producer/Expor ter	Amou nt	Unit of measureme nt	Cur renc y
7	--do--	Telescopic Channel Drawer Slider	Any Country other than China PR	China PR	Any producer other than at serial number 1, 2,3,4&5	422	MT	USD

**N. FURTHER PROCEDURE**

215. An appeal against these findings after its acceptance by the Central Government shall lie before the Customs Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff Rules, 1995.

  
**(Darpan Jain)**  
**Designated Authority**