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**F.No. 6/13/2020-DGTR  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
(Directorate General of Trade Remedies)  
Jeevan Tara building, Parliament Street, New Delhi-110001**

Dated: 20<sup>th</sup> April, 2021

**NOTIFICATION**

**FINAL FINDINGS**

**Case No. ADD-OI-11/2020**

**Subject: Anti-dumping investigation concerning imports of 'Plain Medium Density Fibre Board having thickness less than 6mm' originating in or exported from Vietnam, Malaysia, Thailand and Indonesia.**

Having regard to the Customs Tariff Act 1975, as amended from time to time (hereinafter also referred to as the 'Act') and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995, as amended from time to time (hereinafter also referred to as 'the Rules' or 'AD Rules') thereof;

**A. BACKGROUND OF THE CASE**

1. M/s Greenply Industries Limited/ M/s Greenpanel Industries Limited, and M/s Century Plyboards (India) Ltd. (hereinafter referred to as the "Applicants" or "Domestic Industry") filed a duly substantiated application before the Designated Authority (hereinafter also referred to as the "Authority"), on behalf of the domestic industry, in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred as the "Act") and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred as the "Rules"), for initiation of original anti-dumping investigation concerning imports of Plain Medium Density Fibre Board having thickness less than 6 mm (hereinafter also referred to as "product under consideration" or "PUC" or "subject goods"), originating in or exported from Vietnam, Malaysia, Thailand and Indonesia.
2. Based on the substantiated application with prima facie evidence of dumping and injury filed by the Applicants, the Authority initiated an anti-dumping investigation vide Notification No. 6/13/2020 – DGTR dated 22<sup>nd</sup> April, 2020, published in the

Gazette of India, in accordance with Rule 5 of the Rules to determine existence, degree and effect of alleged dumping of the subject goods, originating in or exported from the subject countries, and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged material injury to the domestic industry.

## **B. PROCEDURE**

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

- i. The Authority notified the embassy of the subject countries in India about the receipt of the present application before proceeding to initiate the investigations in accordance with sub-rule 5(5) of the AD Rules.
- ii. The Authority issued a Notification dated 22<sup>nd</sup> April, 2020, published in the Gazette of India Extraordinary, initiating investigation concerning imports of the subject goods from the subject countries.
- iii. The Authority sent a copy of the initiation notification to the Embassy of the subject countries in India, known producers/exporters from the subject countries, known importers/users and the domestic industry as well as other domestic producers as per the addresses made available by the applicant and requested them to make their views known in writing within 60 days from the receipt of notice in accordance with Rule 6(4) of the AD Rules.
- iv. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters, known importers and to the embassy of the subject countries in India in accordance with Rule 6(3) of the AD Rules.
- v. The Embassy of the subject countries in India was also requested to advise the exporters/producers from the subject countries to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject countries.
- vi. The Authority sent exporter's questionnaire to the following known producers/exporters in the subject countries, whose details were made available by the applicants, to elicit relevant information in accordance with Rule 6(4) of the Rules:
  - a. M/s. Evergreen Fibre Berhad (JB) Sdn. Bhd., Malaysia
  - b. M/s. Dongwha Fibreboard Sdn. Bhd., Malaysia
  - c. M/s. Robin Resources (Malaysia) Sdn. Bhd., Malaysia
  - d. M/s. Segamat Panel Boards Sdn. Bhd., Malaysia
  - e. M/s. Advance Fibre Company Limited, Thailand
  - f. M/s. KhonKaen MDF Board Company Limited, Thailand
  - g. M/s. Vanachai Panel Industries Company Limited, Thailand
  - h. M/s. Siam Fibreboard Company Limited, Thailand
  - i. M/s. Metro Fiber Company Limited, Thailand
  - j. M/s. Vanachai Group Public Company Limited, Thailand

- k. M/s. Metro M.D.F. Company Limited, Thailand
  - l. M/s. PT AndalanKaryaBersama, Indonesia
  - m. M/s. P.T. Sumatera Prima Fibre Board, Indonesia
  - n. M/s PT Hijau Lestari Raya Fibreboard, Indonesia
  - o. M/s. Kim Tin MDF Trading Company Limited, Vietnam
  - p. M/s. MDF VRG Quang Tri Joint Stock Company, Vietnam
  - q. M/s. Hong Duong Bamboo and Rattan Company Limited, Vietnam
  - r. M/s. Vietnam Wooden Board Company Limited, Vietnam
  - s. M/s. Vitranexco Limited Company, Vietnam
  - t. M/s. VRG Dongwha MDF Limited, Vietnam
  - u. M/s. Kim Tin Group Joint Stock Company Limited, Vietnam
- vii. The following producers/exporters from the subject countries filed exporter's questionnaire response:
- a. M/s. Vanachai Panel Industries Company Limited, Thailand
  - b. M/s. Vanachai Group Public Company Limited, Thailand
  - c. Panel Plus MDF Company Limited, Thailand
  - d. Panel Plus Company Limited, Thailand
  - e. M/s. Segamat Panel Boards SDN BHD, Malaysia
  - f. M/s. Magna Foremost SDN BHD, Malaysia
  - g. M/s. Grand Paragon SDN BHD, Malaysia
  - h. M/s. Masonite Components Unlimited Company, Ireland
  - i. M/s. PT Sumatera Prime Fibreboard, Indonesia
  - j. M/s. PT Mukti Panel Industri, Indonesia
  - k. M/s. S. Kijchai Enterprise Public Company Limited, Thailand
  - l. M/s. Wisewoods Company Limited, Thailand
  - m. M/s. SPB Panel Industries Company Limited, Thailand
- viii. The Authority forwarded a copy of the Initiation Notification to the following known importers/users/user associations, whose names and addresses were made available to the authority, of subject goods in India and advised them to make their views known in writing within the time limit prescribed by the Authority in accordance with the Rule 6(4):
- a. M/s Krishna Plywood Products Private Limited
  - b. M/s Jacsons Veneers And Panels Private Limited
  - c. M/s Label Sales Corporation
  - d. M/s Kalinga Imports & Exports Private Limited
  - e. M/s Srivari Traders
  - f. M/s Victory Plywood Distributors
  - g. M/s Thamarapally Brothers Trading Private Limited
  - h. M/s Mathewsons Exports & Imports Private Limited
  - i. M/s R.J.Metals
  - j. M/s Feroke Boards Limited
- ix. The following importers/users/user associations have filed submissions or

questionnaire responses in the present investigation.

- a. M/s. Feroke Boards Limited
  - b. M/s. Ranga Overseas Private Limited
  - c. Thamarappally Brothers Veneers and Panel Pvt. Ltd
  - d. Association of Furniture Manufacturers of India (AFMI)
- x. The following interested parties have filed legal submissions and/or letters of participation in response to the initiation notification:
- a. M/s. Vanachai Group Public Company Limited, Thailand
  - b. M/s. Vanachai Panel Industries Company Limited, Thailand
  - c. Panel Plus MDF Company Limited, Thailand
  - d. Panel Plus Company Limited, Thailand
  - e. M/s. Segamat Panel Boards SDN BHD, Malaysia
  - f. M/s. Magna Foremost SDN BHD, Malaysia
  - g. M/s. Grand Paragon SDN BHD, Malaysia
  - h. M/s. Masonite Components Unlimited Company, Ireland
  - i. M/s. PT Sumatera Prime Fibreboard, Indonesia
  - j. M/s. PT Mukti Panel Industri, Indonesia
  - k. Thai Panel Product Industry Club, Thailand
  - l. Government of Indonesia
- xi. Exporters, foreign producers and other interested parties who have not responded to the Authority, or not supplied information relevant to this investigation, have been treated as non-cooperating interested parties.
- xii. Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed.
- xiii. A list of all interested parties was uploaded on DGTR's website along with the request therein to email the NCV of their submissions to all other interested parties since the public file was not accessible physically due to ongoing global pandemic.
- xiv. The Period of Investigation for the purpose of the present investigation has been considered from 1<sup>st</sup> January 2019 to 31<sup>st</sup> December 2019 (POI). The injury investigation period has been considered as the period from 1<sup>st</sup> April 2016 – 31<sup>st</sup> March 2017, 1<sup>st</sup> April 2017 – 31<sup>st</sup> March 2018, 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019 and Period of Investigation.
- xv. Verification of the data provided by the domestic industry and exporters/producers was conducted to the extent considered necessary for the purpose of the investigation.
- xvi. The Non-Injurious Price (NIP) is based on the cost of production and cost to make and sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles

(GAAP) and Annexure III to the AD Rules. It has been worked out so as to ascertain whether duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.

- xvii. Information obtained from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) on transaction-wise import data for the past three years, and the period of investigation has been adopted for determination of volume and value of imports of product concerned in India.
- xviii. In accordance with Rule 6(6) of the Rules, the Authority also provided opportunity to all interested parties to present their views orally in a hearing held on 24<sup>th</sup>February, 2021. All the parties who had attended the oral hearing were provided an opportunity to file written submissions, followed by rejoinders, if any.
- xix. The submissions made by the interested parties during the course of this investigation, wherever found relevant, have been addressed by the Authority, in these final findings.
- xx. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded these final findings on the basis of the facts available.
- xxi. In accordance with Rule 16 of the Rules, the essential facts of the investigation were disclosed to the known interested parties vide Disclosure Statement dated 7<sup>th</sup>April, 2021 and comments received thereon, considered relevant by the Authority, have been addressed in these final findings. The Authority notes that most of the post disclosure submissions made by the interested parties are mere reiteration of their earlier submissions. However, the post disclosure submissions to the extent considered relevant are being examined in these Final Findings.
- xxii. \*\*\* in this notification represents information furnished by an interested party on confidential basis, and so considered by the Authority under the Rules.
- xxiii. The exchange rate adopted by the Authority during the POI for the subject investigation is 1 US\$= 71.34.

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

- 4. The product under consideration for the purpose of present investigation is “Plain Medium Density Fibre Board having thickness less than 6mm”. The product under consideration is also called Plain MDF Board. It is a composite wood product made out of wood waste fibres glued together with urea formaldehyde resin or melamine resin by applying heat and pressure. It is widely used for partitions, Modular furniture, cabinets etc., due to its smooth and uniform finish. MDF Board is produced in plain form and lamination is additional processing which is carried out after production of Plain MDF Board.
- 5. The laminated Medium Density Fibre Board (laminated MDF Board) is beyond the scope of product under consideration. The Plain Medium Density Fibre Board having thickness of 6mm or more is excluded from the product scope. The product under

consideration accordingly is, “Plain Medium Density Fibre Board having thickness less than 6mm.”

6. The subject goods are classifiable under tariff heading 44111200 and 44111300. However, the subject goods are being imported under other tariff heading 44119219, 44119229, 44119319, and 44119419 as well. These customs classifications are indicative only and in no way binding on the scope of this investigation.

### **C.1. Views of the Domestic Industry**

7. The domestic industry has submitted as follows with regard to product under consideration and like article:
  - i. There is no difference in the subject goods produced by the domestic industry and exported from subject countries and are comparable in terms of physical & technical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The product manufactured by domestic industry is like article to the product imported from subject countries.
  - ii. As regards moulded door skins, the domestic industry has no objection to its exclusion. It has been excluded from import data as well.
  - iii. As regards High Density Fibreboard (HDF), the product under consideration is itself defined as ‘Plain Medium Density Fibreboard having thickness less than 6mm’, implying HDF is not within scope of product under consideration.
  - iv. As regards additional HS codes, the initiation notification clearly mentions that customs classifications are indicative only and in no way binding on the scope of the present investigation. HS codes include those under which product is classified and imported.

### **C.2. Views of other interested parties**

8. The following submissions have been made by other interested parties with regard to the product under consideration and like article:
  - i. The Applicants have acted in a mischievous manner by not mentioning the name of Door skins in the list of items excluded from the scope of the product under consideration.
  - ii. Door skins or Moulded Door Skins, is a value-added product and have been excluded from the scope of the product under consideration covering MDFs in the past by the Authority.
  - iii. The Authority, in the ongoing anti-subsidy investigation concerning imports of Fiberboards from Indonesia, Malaysia, Sri Lanka, Thailand and Vietnam has clarified vide communication dated 20.12.2019 that Moulded Door Skin is excluded from the scope of the product under consideration.
  - iv. Comparison on PCN level is the appropriate methodology and the type wise information submitted by the exporter should be used for all comparison purposes.
  - v. Exporter manufactures and sells three broad types of products covered in Product under consideration i.e., E0, E1/Carb and E2 based on Formaldehyde Emission and cost and price of these grades vary significantly. Inter se grades with

significant cost and price differences warrant separate determination of dumping and injury margin for such different grades.

- vi. High Density Fibreboard (HDF) should be excluded from scope of product under consideration, as they are completely different products.
- vii. HS codes will have implication on the accuracy of data with respect to volume and price of import of PUC, and no explanation has been provided as to whether additional HS codes are like product of main HS codes.

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

9. The product under consideration in the present investigation, is “Plain Medium Density Fibreboard having thickness less than 6mm”. The product under consideration has been defined as under:

*“The product under consideration is Plain Medium Density Fibre Board, also known as Plain MDF Board. It is a composite wood product made out of wood waste fibres glued together with urea formaldehyde resin or melamine resin by applying heat and pressure. It is widely used for partitions, Modular furniture, cabinets etc, due to its smooth and uniform finish. MDF Board is produced in plain form and lamination is additional processing which is carried out after production of Plain MDF Board.*

*The laminated Medium Density Fibre Board (laminated MDF Board) is beyond the scope of product under consideration. The Plain Medium Density Fibre Board having thickness of 6MM or more is excluded from the product scope. The product under consideration accordingly is, “Plain Medium Density Fibre Board having thickness less than 6mm.”*

10. The subject goods produced by the domestic industry and that imported from the subject countries 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. In view of the same, the product under consideration produced by the domestic industry is treated as like article to the product under consideration imported from subject countries.
11. As regards the exclusion of moulded door skin and High Density Fibreboard (HDF) from the scope of product under consideration in the present investigation, it is noted that since domestic industry is not manufacturing moulded door skin, the same is excluded from the scope of product under consideration. As regards exclusion of High Density Fibreboard (HDF), it is noted that High Density Fibreboard (HDF) too is not within the scope of product under consideration.
12. As regards the arguments of the interested parties regarding the adoption of PCN in the present investigation, it is noted that the same issue was earlier dealt by the

Authority in case of ADD investigation for Plain Medium Density Fibreboard having thickness less than 6 mm wherein it was decided not to adopt PCN methodology. There does not seem to be any justification to deviate from the stand taken earlier by the Authority.

13. The subject goods are classifiable under tariff heading 44111200 and 44111300. However, the subject goods are being imported under other tariff heading 44119219, 44119229, 44119319, and 44119419 as well. These custom classifications are indicative only and in no way binding on the scope of this investigation.

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

14. 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.”*

##### **D.1. Views of the Domestic Industry**

15. Following submissions have been made by the domestic industry with regard to standing and scope of the domestic industry:
  - i. The Application for initiation of anti-dumping investigation has been jointly filed by Greenply Industries Limited/ Greenpanel Industries Limited and Century Plyboards (India) Limited. Under Composite Scheme of Arrangement, Greenply Industries Limited was demerged to Greenpanel Industries Limited. The Applicants have provided all relevant information with regard to the present investigation.
  - ii. The Applicants have not imported the subject goods. The Applicants are not related, either directly or indirectly, to any exporter in the subject country or any importer of the dumped article within the meaning of Rule 2(b).
  - iii. As regards inclusion of other domestic producers who were part of previous investigations, it is stated that those domestic producers do not manufacture the product under consideration.
  - iv. As regards supporters and alleged pick and choose methodology, it is not imperative for all petitions to have supporters and the lack of which does not imply that domestic industry has employed pick and choose methodology. WTO Panel in China-Autos(US) has stated that there is no established methodology to define domestic industry and the possibility of weaker performing producers participating is a simple reflection of trade remedial actions.



- v. In response to disclosure statement issued by the Authority, M/s Century Plyboards (India) Ltd sent an e-mail stating that they should not be treated as one of the Applicants any more.

## **D.2. Views of other interested parties**

16. The following submissions have been made by other interested parties with regard to the standing and scope of the domestic industry:
  - i. The domestic industry comes before the Authority with different permutations and combinations of the applicants, as per their convenience, to demonstrate non-existent or contrived injury.
  - ii. Producers who were part of domestic industry in previous investigation and ongoing CVD investigation has been wantonly kept out of scope to distort injury related data.
  - iii. Since the introduction of Trade Notice No. 13/2018 dated 27.09.2018, there has been no supporter to any of the investigations, thereby implying that the domestic producers has employed pick and choose methodology to demonstrate injury. This is against India's obligations in terms of Article 3.4 of the WTO agreement and Appellate Body report in Thailand – H-Beams which states that the Authority should examine “state of the industry” as a whole and not a part of domestic producers.
  - iv. Other domestic producers are performing better in the market and authority must call for and examine their data to ensure fair and holistic appreciation of data.

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

17. The Application in the present case was jointly filed by Greenply Industries Limited/ Greenpanel Industries Limited and Century Plyboards (India) Ltd. (hereinafter also referred to as applicant companies), accounting for \*\*\*\*% of the total Indian production. The Authority notes that there are three other manufacturers of the product under consideration namely M/s Balaji Action Buildwell, M/s Pioneer Panel Products, and M/s Ranga Particle Board Industries Limited who also manufacture the like article in India. The Applicants account for a major proportion in Indian production of the subject goods.
18. As regards the argument of inclusion of other domestic producers who were part of previous investigations and ongoing CVD investigation, the Authority notes that Rushil Decor Limited, the other company who is the part of domestic industry in other investigations and ongoing CVD investigation doesnot manufacture the product under consideration.
19. Vide emails dated 14<sup>th</sup> April 2021 and 17<sup>th</sup> April 2021, i.e., after the issuance of disclosure statement, Century Plyboards (India) Limited has filed a letter withdrawing its participation as constituent of domestic industry in this investigation. In this regard, Authority notes that that the investigation has reached its conclusive stage and everything has been finalised. After disclosure statement was issued to all the interested parties, Century Plyboards (India) Limited, which is one of the constituents

- of applicant domestic industry has made a request to withdraw its participation as constituent of domestic industry. Such withdrawal at the final stage of the investigation though will not affect the continuation of investigation in any manner because the remaining applicant Greenply Industries Limited/Greenpanel Industries Limited accounts for \*\*\*% of the total domestic production and thus meets the standing requirement under the Rules all by itself and accounts for a major proportion in Indian production of the subject goods.
20. The applicant company has neither imported the product under consideration nor has claimed to be related to any producer/exporter of the product under consideration in subject countries or importers of subject goods in India.
  21. Considering the information on record, the Authority holds that the applicant company i.e. Greenply Industries Limited/ Greenpanel Industries Limited accounts for a major proportion in the domestic production of the like article and the applicant is eligible domestic industry within the meaning of Rule 2(b) and Rule 5(3) of the Rules.
  22. The Authority however notes that Century Plyboards (India) Ltd has fully participated in the investigations thus far, provided all relevant information to the Authority, has offered verification of its information and has provided cost statement duly certified by an independent accountant post verification of its information. Since full information relevant to the investigations with regard to the company is on record, it would be appropriate to use the information provided by them for the purpose of assessment of injury because the assessment of injury of domestic industry as a whole by using the information/ data of Century Plyboards (India) Limited will be more representative of the situation.

## **E. CONFIDENTIALITY**

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

23. Following submissions have been made by the domestic industry with regard to confidentiality –
  - i. S.Kijchai Enterprise Public Company Limited, Thailand, Wisewoods Company Limited, Thailand and Thamarappally Brothers Veneers and Panel Pvt. Ltd have failed to circulate the non-confidential version of their questionnaire responses.
  - ii. SPB Panel Industries Limited, Thailand has not filed the questionnaire response in the manner prescribed by the Authority.
  - iii. Association of Furniture Manufacturers of India (AFMI) should be considered as non-cooperative in the present investigation.
  - iv. The exporters and producers have resorted to excessive confidentiality and has redacted even basic information. The non-confidential version of the responses filed do not allow a meaningful understanding of the information claimed confidential. The responses are not in accordance with the requirements as per Trade Notice 10/2018, and is liable to be rejected.
  - v. The information kept confidential by the responding interested parties forms an essential part of the exporter questionnaire responses. Due to lack of such vital information in the non-confidential version, the Domestic Industry is unable to offer any meaningful submissions, thereby violating principles of natural justice.

- vi. The exporters have not furnished a sufficient non-confidential version of the appendices. Even indexed information has not been made available to the domestic industry. The exporters have not provided information that is freely available in the public domain.
- vii. As per Panel Plus Company's response, it does not export to India. However, according to its performance parameters, export sales have been made. The website given for Masonite Ireland is not functional. The exporters are trying to mislead the domestic industry and the Authority.
- viii. The non-confidential version of the petition filed by the domestic industry is as per Trade Notice 10/2018.
- ix. As regards confidentiality of the Market Research report, the same is third party information not available in public domain, and the petitioners are not authorized to disclose the same.

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

24. Following submissions have been made by other interested parties with regard to confidentiality-

- i. Petition is liable to be rejected as it is not in accordance with Trade Notice 10/2018. Reference is made to communication of the Authority in Sunset review Investigation concerning imports of Clear Float Glass from Pakistan, Saudi Arabia and UAE wherein the domestic industry was directed to provide non-confidential version in accordance with Annexure 1 of the Trade Notice, and Aluminium Zinc coated Flat products wherein data of exporter was rejected as certified costing certificates were not provided.
- ii. Claims of confidentiality by the domestic industry is wrong and misplaced. Responses of the exporters were submitted in accordance with Trade Notices 10/2018.
- iii. The petitioner has not provided evidence that information in the public domain was claimed confidential.
- iv. As regards confidentiality of information in Annual Reports, different standards cannot be applied with respect to similar nature of information submitted by other interested parties.
- v. Investigation should not be trivialized by raising issues of reasonable and permissible confidentiality.
- vi. Normal value computed in the petition is high by over 30% and is unsubstantiated. The Petitioners had relied on a Market Research Report by Maia Research. Therefore, there is no reason to claim confidentiality over the information/evidence when the source of the same has already been revealed. The credibility of Maia Research in the MDF sector is questionable as inaccurate selling prices have been quoted. Moreover, of all the reports available on their website, there is no report which cover the POI for the PUC. The selling prices quoted in the Petition are excessively high whereas the actual selling prices are around 220 USD/MT or less on a delivered basis.

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

25. With regard to confidentiality of information, Rule 7 of the AD Rules provides as follows:

*“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, sub-rule (4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.*

*(2) The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization 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 authorise its disclosure in a generalized or summary form, it may disregard such information.”*

26. A list of all interested parties was uploaded on DGTR’s website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties since the public file was not accessible physically due to ongoing global pandemic.
27. Submissions made by the domestic industry and other opposing interested parties with regard to confidentiality, to the extent considered relevant, were examined by the Authority and addressed accordingly. The Authority notes that the information provided by the interested parties on confidential basis was duly examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, 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.
28. As regards submission of questionnaire response of (i) SPB Panel Industries Co. Ltd. Thailand(ii) M/s SKijchai’s, (iii) Wisewoods Co. Ltd and (iv) Tamarappally Brothers Veneers and Panel Pvt. Ltd, it is seen that these companies have failed to circulate the non-confidential version of their responses to other interested parties. The Authority notes that non circulation of non-confidential version of their responses has impeded

the opportunity for the other interested parties to make meaningful comments on the Questionnaire response filed by the aforementioned companies. The Authority holds to reject the responses filed by these companies in view of violation of sub rule 2 of Rule 7 of Anti-dumping Rules, 1995.

## **F. MISCELLANEOUS SUBMISSIONS**

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

29. The following miscellaneous submissions have been made by the domestic industry:
- i. Exporters in subject countries resort to dumping despite subsidies granted by their respective governments and duty concessions granted under Free Trade Agreements, and are already subject to an ongoing anti-subsidy investigation.
  - ii. As regards misuse of trade remedial measures, there is no excessive protection to the domestic industry and anti-dumping duty is only to prevent unfair trade measure. The Authority imposes duty only when all legal requirements are met. The exporters are habitually exporting at unfair prices. The market share of imports is higher than market share of the domestic industry. Despite increase in capacities, domestic industry is prevented from meeting this demand. If exports were made at un-dumped prices, consumers would buy from domestic industry.
  - iii. As regards multiple investigations, the injury is due to low price imports and it is unclear as to the extent to which these low prices are due to dumping and to what extent due to subsidies, and hence should be investigated. A level playing field needs to be provided to the extent of dumping and subsidies within overall injury margin and no relief is sought beyond injury margin.
  - iv. There is no bar in investigating both AD and CVD cases simultaneously and is highly advisable to conduct at the same time. Other jurisdictions like US and EU initiate both AD and CVD investigations simultaneously, as observed by CESTAT and upheld by the Supreme Court in *M/s Suncity Sheets Pvt. Ltd. v. Union of India*.
  - v. As regards overlap of POI, there is no difference between POI of dumping and injury in the present investigation, and the injury caused to domestic industry is in the current period of investigation.
  - vi. As regards requirements justifying initiation, all requirements of Rule 5 have been met by the domestic industry.
  - vii. As regards monopolizing the market, the purpose of anti-dumping duties is to re-establish situation of open and fair competition and imposition will not restrict imports in any way or affect availability of product to consumers.

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

30. Following miscellaneous submissions have been made by other interested parties:
- i. Issue of subsidies availed by exporters of subject goods is immaterial for anti-dumping investigation, as stated in investigation concerning Textured Tempered Glass from Malaysia.

- ii. Submission of the domestic industry that exporters enjoy duty concessions establish that the cause of injury is duty-free imports under Free Trade Agreements and cannot be attributed to alleged dumped imports.
- iii. Domestic industry has been misusing trade remedial measures for the past 11 years wherein, there have been cases against some or other form of the product.
- iv. CVD investigation on the product under consideration is being conducted parallelly. Multiple duties to address the same situation must be avoided.
- v. The POI of dumping and injury examination should overlap to ensure nexus between import and injury, without which causal link cannot be established, therefore, the petition should be rejected.
- vi. Petitioners failed to provide prima facie evidence to justify initiation.
- vii. Customers in India should be given a wide choice and anti-dumping measures should not be used to monopolize a market.

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

31. The Authority has noted all the arguments and counter-arguments of the interested parties and has examined all aspects of the submissions made.
- i. As regards alleged misuse of trade remedial measures and excessive protection, the Authority notes that the recommendation for imposition of duty is made only when the requisite legal requirements are met.
  - ii. As regards the submission that the petition does not have prima facie evidence to justify initiation, the Authority notes that the Application contained all information relevant for the purpose of initiation of investigation. The Authority, only after satisfaction that application contained sufficient prima facie evidence to justify initiation of investigation decided to initiate the present investigation.
  - iii. As regards conducting parallel anti-dumping and anti-subsidy investigations, the Authority notes that there is no bar in conducting such parallel investigations.
  - iv. As regards overlap of period of investigation, the Authority notes that the period of investigation for dumping and injury is the same and there is no difference between the same.

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

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

32. 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 transshipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.*

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

33. The submissions made by the domestic industry with regard to normal value, export price and dumping margin are as follows:
- i. The normal values for Indonesia, Malaysia, Thailand and Vietnam have been determined on the basis of the price reported in the Market Research Report by Maia Research. Export price has been calculated on the basis of DGCI&S transaction wise import data.
  - ii. Response filed by M/s Wisewoods Limited, Thailand should be rejected as it was not filed in the prescribed manner.
  - iii. Exporters have not fully cooperated with the Authority and adverse inference should be drawn from the fact of non-participation, and highest duty should be imposed on the exporters on the basis of facts available.
  - iv. The disclosure statement issued in the ongoing anti subsidy investigation against imports of Fibreboard, stated that the major raw material prices in the subject countries are highly distorted due to various government schemes. Therefore, the raw material prices of the exporters in the subject countries are not reflective of market prices and is liable to be rejected for computation of normal value.
  - v. As regards consideration of response filed by PT Mukti, it can be considered for determination of normal value and export price subject to accuracy and adequacy of information. The exporters should establish that raw material prices are undistorted. In case the raw material prices are found to be distorted, undistorted prices should be considered.
  - vi. As regards separate dumping margin for related parties, it is against the practice of DGTR. In view of Para 12.28 of SOP Manual, only one dumping margin should be determined for all related parties.
  - vii. As regards basis of data for normal value, information was provided to the best of abilities to establish prima facie dumping as domestic industry is not privy to

- actual selling price of subject goods in domestic market of subject countries and cost of production of subject goods in subject countries.
- viii. As regards normal value, petitioners have provided actual prices for determination of normal value.

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

34. The following submissions have been made by other interested parties regarding the normal value, export price and dumping margin:

- i. Actual information provided by PT Mukti in their questionnaire response should be considered for determination of its normal value and export price.
- ii. Dumping margins for related companies Vanachai Panel Industries Company and Vanachai Group Public Company Limited, and Panel Plus Co. Ltd and Panel Plus MDF Company Limited, as well as PT Sumatera Fibreboard and Segamat Panel Boards SDN BHD should be computed separately.
- iii. Allegations of dumping against Thailand are unsubstantiated.
- iv. Establishment of dumping margin is incorrect as normal value was based on 2018 data, prior to POI. It is also questionable if normal value was established at ex-factory level.
- v. Period where normal value and export value was established is different, and comparing normal value and export price at different level would be inconsistent with Article 2.4 of Anti-Dumping Agreement.
- vi. The normal value computed in petition is high by over 30% and is unsubstantiated.
- vii. In view of WTO Panel and Appellate Body reports in EU-Biodiesel and Australia – A4 copy paper, investigating authority is required to consider costs data recorded and submitted by producers provided they are in accordance with GAAP and reasonably reflect the costs associated with production and sale of product under consideration. In A4 Copy Paper, the Panel ruled that even if the distortion occurs but it permits proper comparison between the domestic price and export price, the investigating authority is not allowed to construct the normal value, let alone replace the cost of the producers.
- viii. The exporters cooperated with the Authority and duly filed complete questionnaire responses. Therefore, actual information should be considered for determination of normal value and export price.

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

35. Under section 9A (1) (c), 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);*

36. The Authority sent questionnaires to the known producers/exporters from the subject countries, advising them to provide information in the form and manner prescribed by the Authority. The following producers/exporters have participated in the present investigation.
  - i. M/s. Vanachai Panel Industries Company Limited, Thailand
  - ii. M/s. Vanachai Group Public Company Limited, Thailand
  - iii. Panel Plus MDF Company Limited, Thailand
  - iv. Panel Plus Company Limited, Thailand
  - v. M/s. Segamat Panel Boards SDN BHD, Malaysia
  - vi. M/s. Magna Foremost SDN BHD, Malaysia
  - vii. M/s. Grand Paragon SDN BHD, Malaysia
  - viii. M/s. Masonite Components Unlimited Company, Ireland
  - ix. M/s. PT Sumatera Prime Fibreboard, Indonesia
  - x. M/s. PT Mukti Panel Industri, Indonesia
  - xi. M/s. S. Kijchai Enterprise Public Company Limited, Thailand
  - xii. M/s. Wisewoods Company Limited, Thailand
  - xiii. M/s. SPB Panel Industries Company Limited, Thailand
37. The responses of the cooperating producers/exporters who have filed the exporter questionnaire response in the form and manner prescribed by the Authority have been examined for determining Normal Value, Export Price and Dumping Margin.
38. It is noted that M/s. Magna Foremost SDN BHD, Malaysia and its related exporters, namely, M/s. Grand Paragon SDN BHD, Malaysia and M/s. Masonite Components Unlimited Company, Ireland do not export the product under consideration. The companies export Moulded Door Skin which is excluded from the scope of the product under consideration. Since normal value is determined and anti-dumping duty is recommended only on producers/exporters of the product under consideration, the Authority finds that there is no need to calculate the dumping margin for these companies.
39. As regards the arguments of the interested parties regarding recommendation of individual dumping margin for related parties as well, it is noted that the dumping margin is calculated as per laws and practice in India.
40. As regards argument of raw material distortions, it is noted that the domestic industry has not established that the raw material prices are distorted in the subject countries. The argument is rejected, being unsubstantiated.

#### **G.4.0. Determination of Normal Value**

##### **G.4.1. Normal Value determination for all producers/exporters from Thailand**

###### **Panel Plus MDF Company Limited, Thailand**

41. The Authority notes that Panel Plus MDF Co. Ltd. is a producer and exporter of the subject goods based in Thailand. Its related trader, namely, Panel Plus Co. Ltd. has also filed the questionnaire response. Panel Plus MDF Co. Ltd. has claimed normal value on the basis of sales made in the domestic market. As per information available in the EQ response, during the period of investigation, the ordinary course of trade (80:20) test conducted on the domestic sales of Panel Plus MDF Co. shows \*\*\*% of sales as profitable. Therefore, normal value of the subject goods in the POI has been determined by taking profitable domestic sales in the subject country. Panel Plus MDF Co. has claimed adjustments on account of inland freight and credit cost. Authority has allowed the same after due verification and normal value thus arrived is shown in dumping margin table below.

###### **Vanachai Panel Industries Company Limited, Thailand**

42. The Authority notes that Vanachai Panel Industries Co.,Ltd. is a producer and exporter of the subject goods based in Thailand. Its related producer namely, Vanachai Group Public Company Ltd, has also filed the questionnaire response. However, since they have sold only Moulded door skin, the margin for them is not being worked out. Vanachai Panel Industries Co.,Ltd.'s domestic sales are found to be below \*\*\*% of the sales to India. Therefore, normal value of the subject goods in the POI has been determined by taking into consideration cost of production of the said article along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules. Authority after due verification have determined the normal value as shown in dumping margin table below.

###### **Normal value for all non-cooperative producers/exporters from Thailand**

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

##### **G.4.2. Normal Value determination for producers/exporters from Malaysia**

###### **Segamat Panel Boards, SDN. BHD., Malaysia**

44. The Authority notes that Segamat Panel Boards, SDN. BHD. is a producer and exporter of the subject goods based in Malaysia. Segamat Panel Boards, SDN. BHD. has claimed normal value on the basis of sales made in the domestic market.

As per information available in the Exporter Questionnaire Response (EQR), during the period of investigation, the ordinary course of trade (80:20) test conducted on the domestic sales of Segamat Panel Boards, SDN. BHD. shows \*\*\* % of sales as profitable. Therefore, normal value of the subject goods in the POI has been determined by taking only profitable domestic sales in the subject country. Segamat Panel Boards, SDN BHD has claimed adjustments on account of inland freight and credit cost. Authority has allowed the same after due verification and normal value thus arrived is shown in dumping margin table below.

**Normal value for all non-cooperative producers/exporters from Malaysia**

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

**G.4.3. Normal Value determination for producers/exporters from Indonesia**

**PT Mukti Panel Industri, Indonesia**

46. The Authority notes that PT Mukti Panel Industri is a producer and exporter of the subject goods based in Indonesia. PT Mukti Panel Industri has claimed normal value on the basis of sales made in the domestic market. As per information available in the EQ response, during the period of investigation, the ordinary course of trade (80:20) test conducted on the domestic sales of PT Mukti Panel Industri shows less than \*\*\* % of sales as profitable. Therefore, normal value of the subject goods in the POI has been determined based on cost of production, considering reasonable profit and general administrative expenses. Dumping margin thus calculated is given in table below.

**PT Sumatera Prima Fibreboard, Indonesia**

47. The Authority notes that PT Sumatera Prima Fibreboard is a producer and exporter of the subject goods based in Indonesia. PT Sumatera Prima Fibreboard has claimed normal value on the basis of sales made in the domestic market. As per information available in the EQ response, during the period of investigation, the ordinary course of trade (80:20) test conducted on the domestic sales of PT Sumatera Prima Fibreboard shows \*\*\*% of sales as profitable. Therefore, normal value of the subject goods in the POI has been determined by taking all domestic sales in the subject country. PT Sumatera Prima Fibreboard has claimed adjustments on account of inland transportation and credit cost. Authority has allowed the same after due verification and normal value thus arrived is shown in dumping margin table below.

**Normal Value for all non-cooperative producers/exporters from Indonesia**

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

#### **G.4.4. Normal Value determination for producers/exporters from Vietnam**

49. The Authority notes that none of the producers/exporters from Vietnam have filed Exporter Questionnaire Response. In view of non-cooperation from all the producers/exporters in Vietnam, the Authority has determined normal value on the basis of facts available in terms of Rule 6(8) and the same is indicated in the dumping margin table given below.

#### **G.5. Export Price**

##### **G.5.1. Determination of export price in respect of producers/exporters from Thailand**

###### **Panel Plus MDF Company Limited (Exporter/Producer)**

50. Panel Plus MDF Co. Ltd. has filed questionnaire response along with its related trader, namely Panel Plus Co. Ltd. The Authority, however, notes that Panel Plus MDF Co. has exported \*\*\* CBM of the subject goods to India at the invoice value of US\$ \*\*\* during the period of investigation. Adjustments have been made on account of Ocean freight, inland transportation, port and other related expenses, bank charges, credit cost, wherever applicable, as claimed by the exporter in its response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for Panel Plus MDF Co. Ltd. has been determined, which is indicated in the Dumping Margin Table below.

###### **Vanachai Panel Industries Company Limited (Producer/Exporter)**

51. Vanachai Panel Industries Co., Ltd. has filed questionnaire response. It is noted that Vanachai Panel Industries Co., Ltd. has exported \*\*\* CBM of the subject goods to India at the net invoice value of US\$ \*\*\* during the period of investigation. Adjustments have been made on account of inland transportation, commission, port and other related expenses, bank charges as claimed by the exporter in its response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for Vanachai Panel Industries Co., Ltd. has been determined, which is indicated in the Dumping Margin Table below.

###### **Other producers and exporters from Thailand**

52. Since no response has been received from any other producer/exporter of the subject goods from the Thailand, the Authority has determined export price as per facts available in terms of Rule 6(8) of the AD Rules in respect of other producers/exporters from Thailand.

## **G.5.2. Determination of export price in respect of producers/exporters from Malaysia**

### **Segamat Panel Boards, SDN. BHD., Malaysia**

53. Segamat Panel Boards Sdn Bhd. has filed questionnaire response. It is noted that Segamat Panel Boards Sdn Bhd. has exported \*\*\* CBM of the subject goods to India at the Value ofUS\$\*\*\*during the period of investigation. Adjustments have been made on account of Ocean freight, inland transportation, port and other related expenses, credit cost and bank charges as claimed by the exporter in its response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for Segamat Panel Boards Sdn Bhd. has been determined, which is indicated in the Dumping Margin Table below.

### **Other producers and exporters from Malaysia**

54. Since no response has been received from any other producer/exporter of the subject goods from Malaysia, the Authority has determined export price as per facts available in terms of Rule 6(8) of the AD Rules in respect of other producers/exporters from Malaysia.

## **G.5.3. Determination of export price in respect of producers/exporters from Indonesia**

### **PT Mukti Panel Industri, Indonesia**

55. PT Mukti Panel Industri has filed questionnaire response. It is noted that PT Mukti Panel Industri has exported\*\*\* CBM of subject goods to India invoice value of US\$ \*\*\*directly to India during the period of investigation. Adjustments have been made on account of Ocean freight, inland transportation, port and other related expenses, credit cost and bank charges, wherever applicable, as claimed by the exporter in its response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for PT Mukti Panel Industri has been determined, which is indicated in the Dumping Margin Table below.

### **PT Sumatera Prima Fibreboard, Indonesia**

56. PT Sumatera Prima Fibreboard has filed questionnaire response. It is noted that PT Sumatera Prima Fibreboard has exported \*\*\* CBM of the subject goods to India at the value ofUS\$\*\*\* during the period of investigation. Adjustments have been made on account of Ocean freight, inland transportation, port and other related expenses, credit cost and bank charges as claimed by the exporter in its response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for PT Sumatera Prima Fibreboard has been determined, which is indicated in the Dumping Margin Table below.

**Other producers and exporters from Indonesia**

57. Since no response has been received from any other producer/exporter of the subject goods from Indonesia, the Authority has determined export price as per facts available in terms of Rule 6(8) of the AD Rules in respect of other producers/exporters from Indonesia.

**G.5.4. Determination of export price in respect of producers/exporters from Vietnam**

58. The Authority notes that none of the producers/exporters from Vietnam have filed Exporter Questionnaire Response. In view of non-cooperation, the Authority has determined export price on the basis of facts available in terms of Rule 6(8), in respect of exporters from Vietnam. The same is indicated in the dumping margin table given below.

**G.6. Dumping Margin**

59. Considering the normal value and export price as above, the dumping margins for all producers/exporters of the subject goods from the subject country is determined as below.

Country	Producer	Normal Value (US\$/CBM)	Export Price (US\$/CBM)	Dumping Margin (US\$/CBM)	Dumping Margin (%)	Dumping Margin Range (%)
Thailand	Panel Plus MDF Company Limited	***	***	***	***	Negative
	Vanachai Panel Industries Limited	***	***	***	***	40-50
	All Others	***	***	***	***	60-70
Malaysia	Segamat Panel Board SDN. BHD.	***	***	***	***	30-40
	All Others	***	***	***	***	50-60
Indonesia	PT Mukti Panel Industri	***	***	***	***	0-10

	PT Sumatera Prima Fibrebord	***	***	***	***	0-10
	All Others	***	***	***	***	30-40
Vietnam	All	***	***	***	***	40-50

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

60. Rule 11 of the Rules read with its Annexure-II thereto 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 to the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the Domestic Industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Rules.
61. The Authority notes that the application for imposition of antidumping duty was filed by M/s Greenply Industries Limited / Greenpanel Industries Limited, and Century Plyboards (India) Ltd.
62. Vide emails dated 14th April 2021 and 17th April 2021, i.e., after the issuance of disclosure statement, Century Plyboards (India) Limited has filed a letter withdrawing its participation as constituent of domestic industry in this investigation. In this regard, Authority notes that such withdrawal at the final stage of the investigation though will not affect the continuation of investigation in any manner because the remaining applicant still accounts for a major proportion in Indian production of the subject goods. However, the Authority, while allowing withdrawal of Century Plyboards (India) Limited as one of the applicants in this investigation, notes that Century Plyboards (India) Ltd has fully participated in the investigations thus far, provided all relevant information to the Authority, has offered verification of its information and has provided cost statement duly certified by an independent accountant post verification of its information. The Authority has therefore used data / information provided by Century Plyboards (India) Limited

for the purpose of assessment of injury because the assessment of injury of domestic industry as a whole by using the information/ data of Century Plyboards (India) Limited will be more representative of the situation.

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

63. The following submissions have been made by the domestic industry with regard to injury and causal link:

- i. The market share in demand of the subject countries is 50% while the domestic industry's share is only 32%, despite the increase in capacity for the subject goods. Market share of domestic producers as a whole has declined.
- ii. The volume of imports from the subject countries in absolute terms and in relation to total imports in the country has increased significantly during the injury period and in the POI.
- iii. The imports are significantly undercutting and depressing the prices of the domestic industry. The dumping margin and injury margin for all of the subject countries is positive and substantial.
- iv. The domestic industry has increased capacity, despite which the imports have remained continuously at high levels. Capacity utilization has declined. Inventories have increased substantially during the injury period and the period of investigation.
- v. Profits declined significantly throughout the injury period and in the period of investigation. Cash Profits, and ROCE follow the same trend as profitability. Despite reducing prices, the domestic industry is faced with same level of imports in the country.
- vi. The performance parameters of the exporters who have submitted questionnaire responses show that material injury is being caused to the domestic industry due to dumped imports and that there is a threat of material injury in the event of non-imposition of duty. The exporters show high export orientation, increased capacities and exports to India, and hold significant inventories. Selling price of exports to India has declined even though costs have increased.
- vii. No other known factors are causing injury to the domestic industry. There is causal link between material injury and the imports from subject countries.
- viii. The increase in depreciation and finance cost, production, domestic sales and productivity per day is due to addition of new capacities by the domestic industry. However, even if level of depreciation before increase in capacity is considered for period of investigation, it would still show decline in cash profits, thus establishing that the decline is due to dumped imports.
- ix. As regards statements in Annual Report of Rushil Décor, it is stated that Rushil Décor is not a manufacturer of the product under consideration in India. As regards public statements in Annual Reports, Public statements in the Annual Report do not alter the conclusion that dumping of the product has contributed to injury to the domestic industry.



- x. As regards separate injury margin, it is not the practice of DGTR to calculate separate injury margins for related parties, and the Authority is requested to calculate one injury margin for all related parties.
- xi. As regards capacity expansions, the expansions were made to bridge the demand-supply gap, despite which there has been a significant import of subject goods.
- xii. The landed price of imports from subject countries is below the cost of sales of the domestic industry throughout the injury period. Therefore, even if the landed price of imports has increased, it was still below the cost and therefore the profitability of the domestic industry has declined.
- xiii. As regards detrimental effect on market share, the market share of the domestic producers has declined despite increasing its capacities whereas market share of the subject countries has increased.
- xiv. The profitability of the domestic industry has declined significantly. Even though the costs have declined, the domestic industry is forced to reduce its prices more than decline in cost. Imports are depressing the prices of the domestic industry. Despite price reductions by the domestic industry, the imports have continued at similar levels.
- xv. As regards employment parameters, injury has not been claimed on that account. Employment increased due to increase in capacities.
- xvi. As regards post-POI period, there is no legal requirement to consider post-POI period in a fresh investigation as has been observed in a recent finding concerning imports of Phenol from Thailand and USA.
- xvii. As regards state of competition, distinction should be made between fair and unfair competition, and there is a separate legislation to ensure that competition between domestic producers remains fair. If internal competition was the only driving force in the market, the domestic industry's market share would not have faced such a situation.
- xviii. Export constitute only 11% of the total sales by domestic industry. It therefore cannot be said that the petitioners are focusing on the export markets. The domestic industry has enough capacities to meet the entire demand of India as well as export the product under consideration at the current levels.
- xix. The petitioners are forced to export the subject goods due to the presence of dumped goods in the country. Dumping of subject goods in the country cannot be justified on the ground that petitioners are exporting the subject goods.
- xx. The claim of the respondents that injury maybe due to imports of thick MDF Board is factually incorrect as the domestic industry has proved that it has suffered material injury due to the imports of the product under consideration.
- xxi. The producers in the subject countries hold significant capacities, maintain a high export orientation and maintain huge inventories, thereby posing a significant threat of material injury.
- xxii. The opposing interested parties have not provided any evidences for capacity, contrary to the claim of the domestic industry. Their arguments are unsubstantiated.

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

64. The following submissions have been made by other interested parties with regard to injury and causal link:

- i. Petitioners have not demonstrated any dumping or consequent injury to the domestic industry or provided any positive evidence to show that material injury or threat of material injury is due to alleged dumped imports of subject goods.
- ii. There has been massive improvement with respect to most of the economic parameters of the domestic industry. Decline in profits of the domestic industry is directly attributable to increase in depreciation and finance cost, and massive capacity additions. There is no injury as the domestic industry has increased capacity, production, domestic sales and productivity per day.
- iii. Injury, if any, is on account of other factors including increase in capacity, increase in interest costs, abnormal increase in employment, slowdown of economy, domestic oversupply, etc. Annual Report of Rushil Décor Limited reveals the reason for low performance of the domestic industry. Further, Annual Report of Century Ply states that performance was affected due to subdued real estate sector, muted consumer spending and domestic oversupply.
- iv. Injury margins of related companies should be computed separately. Allegations in the petition against Thailand regarding injury is unsubstantiated.
- v. Injury data presented is misleading as the Petitioner was involved in capacity expansion during the injury period including the period of investigation, which would not have been possible if the domestic industry was facing material injury. Moreover, the expansion activities started to bear results in the later part of period of investigation as well as post-POI period as their sales only improved in the domestic market which establishes that capacity utilization had only increased. The capacity constraints of the domestic industry were the reason behind the imports and therefore, the allegation of dumping is without merit. .
- vi. No link can be established between the movement of landed price of imports of PUC from the subject countries and profitability of the domestic industry. They are found to be inversely proportional.
- vii. The imports of product under consideration from the subject countries did not have any detrimental effect on the market share of the domestic industry.
- viii. While price undercutting reduced over the years from subject countries or remained in a comparable range, as in the case of Thailand, the same did not have an effect on the prices of the domestic industry. The domestic industry was able to maintain a higher price even when there was significant fall in cost. There was minimal decline in NSR during the period when landed price from subject countries reduced.
- ix. The parameters like employment, growth etc. displayed better performance of the domestic industry during the POI.
- x. Post-POI performance of the Petitioner should be considered as a parameter to measure causal link during the period of investigation, wherein the petitioner has witnessed exponential growth without any anti-dumping duty.
- xi. State of competition within Indian producers affected performance of petitioners, and not imports from Indonesia. Any possible injury could be self-inflicted. Petitioners have been focusing on exports as export sales volume has increased

formidably. Import of product under consideration was to complement huge export scale of petitioners.

- xii. Core export market is Middle East followed by Asian markets. Thai exports declined from 33468 MT in 2017-18 to 22328 MT. The decline in Thai exports does not support the alleged injury narrative of applicants.
- xiii. Since the industry does not have a dedicated line for production of thin board and since domestic industry has alleged continuation of injury in SSR investigation concerning thick MDF board, it is possible that alleged injury to the DI was caused by imports of thick MDF.
- xiv. Petitioner has increased its prices continuously and at a significant rate. Imports from Indonesia regardless of volume is to cater to the market demand in India, and supplement the existing demand-supply gap. Data of the petitioner shows that market share was positive and has slightly increased from 2017-18 to POI.
- xv. Tables of various exporters mentioned by the domestic industry show more or less similar trend as performance parameters of the domestic industry.
- xvi. There is no provision that allows examination of both injury and threat of material injury. Claim of injury and threat of material injury cannot exist together.
- xvii. Volume of imports has declined as compared to 2017-18 while there has been negligible increase in period of investigation. As far as Indonesia is concerned, there has been decline in imports in the period of investigation.

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

- 65. The Authority has taken note of the arguments and counter-arguments of the interested parties with regard to injury to the domestic industry. The injury analysis by the Authority hereunder addresses the various submissions made by the interested parties.
- 66. Article 3.3 of WTO agreement and para (iii) of Annexure II of the Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigation, the Authority will cumulatively assess the effect of such imports, in case it determines that:
  - a. The margin of dumping established in relation to the imports from each country is more than 2% expressed as a percentage of export price and the volume of the imports from each country is 3% (or more) of the import of like article or where the export of individual countries is less than 3%, the imports collectively account for more than 7% of the import of like article, and
  - b. Cumulative assessment of the effect of imports is appropriate in the light of the conditions of competition between the imported article and the like domestic articles.
- 67. The Authority notes that:
  - a. The subject goods are being dumped into India from the subject countries. The margin of dumping from each of the subject countries is more than the de-minimis limits prescribed under the Rules.

- b. The volume of imports from each of the subject countries is individually more than 3% of the total volume of imports.
- c. Cumulative assessment of the effects of import is appropriate as the exports from the subject countries not only directly compete with the like articles offered by each of them but also the like articles offered by the domestic industry in the Indian market.
68. In view of the above, the Authority considers it appropriate to cumulatively assess the effects of dumped imports of the subject goods from Indonesia, Malaysia, Thailand and Vietnam.
69. Rule 11 of the Rules read with its Annexure-II thereto 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 to the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the Domestic Industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Rules.
70. The submissions made by the Domestic Industry and other interested parties during the course of investigations with regard to injury and causal link and considered relevant by the Authority are examined and addressed as under.
71. As regards argument of considering information for post period of investigation, it is noted that the present investigation being a fresh investigation, there is no requirement of considering post period of investigation information.

### H.3.1. Assessment of Demand

72. The Authority has defined, for the purpose of the present investigation, demand or apparent consumption of the product in India as the sum of domestic sales of the Indian producers, and imports from all sources. The demand so assessed is given in the table below.

Demand in India	Unit	2016-17	2017-18	2018-19	POI
Sales of Domestic Industry	CBM	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>125</i>	<i>130</i>	<i>146</i>
Sales of Other Indian Producers	CBM	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>97</i>	<i>115</i>	<i>115</i>
Imports from- Subject Country	CBM	72,183	124,699	121,327	121,259
Indonesia	CBM	30,254	34,788	36,177	35,619

Malaysia	CBM	21,462	14,531	30,194	29,798
Thailand	CBM	17,449	56,256	35,269	42,109
Vietnam	CBM	3,019	19,124	19,687	13,733
Imports from other countries	CBM	8,153	12,344	9,457	9,064
Total Demand in India	CBM	***	***	***	***
<i>Trend</i>		100	142	143	148
<b>Market Share in Demand</b>					
Domestic industry	%	***	***	***	***
<i>Trend</i>		100	88	91	98
Other Indian Producers	%	***	***	***	***
<i>Trend</i>		100	68	80	78
Imports from- Subject Countries	%	***	***	***	***
Indonesia	%	***	***	***	***
Malaysia	%	***	***	***	***
Thailand	%	***	***	***	***
Vietnam	%	***	***	***	***
Other Countries	%	***	***	***	***
Total Demand	%	100	100	100	100

73. The Authority notes that the demand in India has increased throughout the injury period and in the POI.

### H.3.2. Volume Effect of Dumped Imports

74. The effect of the volume of dumped imports from the subject countries as well as imports from other countries have been examined by the Authority as follows:

Import Volume	Unit	2016-17	2017-18	2018-19	POI
Imports from- Subject Countries	CBM	72,183	124,699	121,327	121,259
Indonesia	CBM	30,254	34,788	36,177	35,619
Malaysia	CBM	21,462	14,531	30,194	29,798
Thailand	CBM	17,449	56,256	35,269	42,109
Vietnam	CBM	3,019	19,124	19,687	13,733
Imports from other countries	CBM	8,153	12,344	9,457	9,064
Total Import Volume	CBM	80,336	137,043	130,785	130,322
<b>Subject Country Imports in relation to</b>					
Imports	%	89.85	90.99	92.77	93.05
Total Indian Production	%	***	***	***	***
<i>Trend</i>		100	156	130	121
Total Indian Demand	%	***	***	***	***

75. The Authority notes that the volume of imports from the subject countries increased in 2017-18 and declined in 2018-19 and in the period of investigation. However, as compared to base year 2016-17, the imports from subject countries have increased in the period of investigation both in absolute terms and in relation to production and consumption in India.

### H.3.3. Price Effect of Dumped Imports

76. In terms of Annexure II (ii) of the Rules, the Authority is required to consider the effect of the dumped imports on domestic prices in terms of price undercutting, price underselling, price suppression and price depression, if any.

#### i. Price Undercutting

77. With regard to the effect of dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared to 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. In this regard, a comparison has been made between the landed value of the product from the subject countries and the average selling price of the domestic industry, net of all rebates and taxes, at the same level of trade. The prices of the domestic industry were determined at ex-factory level.

Particular	Unit	2016-17	2017-18	2018-19	Period of investigation
Net sales realization	Rs/CBM	***	***	***	***
<b>Subject Countries as a whole</b>					
Landed price	Rs/CBM	14,232	13,223	13,786	13,297
Price undercutting	Rs/CBM	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	60-70	70-80	40-50	40-50
<b>Indonesia</b>					
Landed price	Rs/CBM	15,322	14,673	14,807	14,444
Price undercutting	Rs/CBM	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	50-60	50-60	30-40	30-40
<b>Malaysia</b>					
Landed price	Rs/CBM	14,068	14,936	15,058	14,109
Price undercutting	Rs/CBM	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	60-70	50-60	30-40	30-40
<b>Thailand</b>					
Landed price	Rs/CBM	12,914	12,223	12,230	11,780
Price undercutting	Rs/CBM	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	70-80	90-100	60-70	60-70

<b>Vietnam</b>					
Landed price	Rs/CBM	12,094	12,223	12,747	13,214
Price undercutting	Rs/CBM	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	90-100	90-100	50-60	40-50

78. It is noted that import prices of each of the subject countries are undercutting the prices of the domestic industry.

#### ii. Price Suppression and Depression

79. In order to determine whether the dumped imports are suppressing or depressing the domestic prices and whether the effect of such imports is to depress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority notes the changes in the costs and prices over the injury period. The position is shown as per the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Cost of Sales	Rs/CBM	***	***	***	***
<i>Trend</i>		100	104	111	98
Net Sales Realization	Rs/CBM	***	***	***	***
<i>Trend</i>		100	101	88	84
Landed Price from subject countries	Rs/CBM	14,232	13,223	13,786	13,297
<i>Trend</i>		100	93	97	93

80. It is noted that the landed price of imports from subject countries is below the cost of sales during the period of investigation. Both cost and selling of the domestic industry declined over the injury period. However, decline in selling price of the domestic industry is more than the decline in cost. Imports are both depressing and suppressing the prices of the domestic industry.

#### H.3.4. Impact on Economic Parameters of the Domestic Industry.

81. Annexure II to the Rules requires that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on domestic producers of such products. With regard to consequent impact of dumped imports on domestic producers of such products, the Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. Various injury parameters relating to the domestic industry are discussed herein below.

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

82. The Authority has considered capacity, production, capacity utilization and sales of the domestic industry over the injury period and notes as follows:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Installed Capacity - Plant	CBM	***	***	***	***
<i>Trend</i>		100	155	360	410
Production Quantity - Plant	CBM	***	***	***	***
<i>Trend</i>		100	123	178	236
Capacity Utilization - Plant	%	***	***	***	***
<i>Trend</i>		100	80	49	58
Production Quantity – product under consideration	CBM	***	***	***	***
<i>Trend</i>		100	118	137	152
Domestic Sales – product under consideration	CBM	***	***	***	***
<i>Trend</i>		100	125	130	146

83. It is noted that:

- a. The capacity has increased over the injury period and in the period of investigation. It is seen that the increase in capacity is due to the establishment of new capacities.
- b. The production quantity of the domestic industry increased throughout the injury period and in the period of investigation. The domestic sales have shown the same trend as production. Capacity utilization has declined over the injury period except in the POI where it has shown some improvement. The decline in capacity utilization however is on account of consistent increase in capacity.

**ii. Market Share of domestic industry in Demand**

84. Market share of the domestic industry have been examined as below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Domestic industry	%	***	***	***	***
<i>Trend</i>		100	88	91	98
Other Indian Producers	%	***	***	***	***
<i>Trend</i>		100	68	80	78
Imports from- Subject Countries	%	***	***	***	***
Other Countries	%	***	***	***	***
Total Demand	%	100	100	100	100



85. The market share of the domestic industry has remained in similar region despite significant capacity addition. The market share of the subject countries has increased as compared to the base year. Further, imports command majority share, despite significant capacities with the domestic producers.

### iii. Inventories

86. The data relating to inventory of the subject goods are shown in the following table:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Inventory – Average	CBM	***	***	***	***
<i>Trend</i>		100	243	334	495

87. The Authority notes that the inventories with the domestic industry has increased substantially over the injury period and further in the POI.

### iv. Profits, Cash Profits and Return on Capital Employed

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

Particulars	Unit	2016-17	2017-18	2018-19	POI
Cost of Sales	Rs/CBM	***	***	***	***
<i>Trend</i>		100	104	111	98
Selling price	Rs/CBM	***	***	***	***
<i>Trend</i>		100	101	88	84
Profit before tax	Rs/CBM	***	***	***	***
<i>Trend</i>		100	93	26	44
Total Profit before Tax	Rs.Lacs	***	***	***	***
<i>Trend</i>		100	116	33	64
Total Profit before interest	Rs.Lacs	***	***	***	***
<i>Trend</i>		100	119	44	72
Cash Profit	Rs.Lacs	***	***	***	***
<i>Trend</i>		100	130	57	82
Return on capital employed	%	***	***	***	***
<i>Trend</i>		100	59	16	35

89. It is seen that:

- a. Profitability has shown significant decline over the injury period. Gross profit before tax and cash profits increased in 2017-18, but declined thereafter substantially. Cash profit in the POI was lower than that in the base year. Profit before tax particularly was significantly lower in POI as compared to the base year.

- b. Return on capital employed (ROCE) declined sharply till 2018-19. Even though ROCE improved in POI, the same was at a sub-optimal level.
- c. Profitability, gross profit before tax, cash profits and return on capital employed have all seen a decline in the period of investigation as compared to base year.
- d. The domestic industry has added significant capacity and production. The profits of the domestic industry have however declined as compared to earlier levels.

**v. Employment, wages and productivity**

90. The situation of the domestic industry with regard to employment, wages and productivity is as below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Employment	Nos	***	***	***	***
<i>Trend</i>		100	137	246	269
Productivity per day	CBM	***	***	***	***
<i>Trend</i>		100	141	137	152
Productivity per Employee	CBM	***	***	***	***
<i>Trend</i>		100	87	56	56
Wages	Rs.Lacs	***	***	***	***
<i>Trend</i>		100	167	246	254

91. It is noted that employment, wages and productivity per day has substantially increased throughout the injury period. The domestic industry has submitted that these parameters are not reflective of the impact of dumped imports on the domestic industry.

**vi. Growth**

92. Examination of growth parameters of the domestic industry during the injury period is shown below –

Particular	Unit	2016-17	2017-18	2018-19	POI
Production	%	-	17.88	15.90	11.04
Domestic Sales Volume	%	-	24.89	3.82	12.36
Capacity Utilisation	%	-	(20.42)	(37.87)	16.63
Profit/Loss domestic	%	-	(7.27)	(72.44)	72.55
Average stock	%	-	143.01	37.53	48.18

93. It is noted that the growth in terms of production, domestic sales, and capacity utilization in the POI is positive when compared to the preceding year.

**vii. Factors affecting domestic prices.**

94. The Authority notes that the domestic prices have been affected due to the presence of dumped imports in the country.

**viii. Ability to raise fresh investment.**

95. The domestic industry has claimed that it has been operating at low-capacity utilization despite significant demand in the country and it has weakened the ability of the Domestic Industry to raise capital investment.

**ix. Magnitude of Dumping**

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

**I. OVERALL CONCLUSION ON INJURY**

97. Considering various parameters relating to material injury, the Authority notes that subject imports have increased over the injury period in relation to gross imports. Even though the subject imports have shown marginal decline in the POI as compared to preceding year, the level of imports in the POI is still significant high and higher than the levels registered in the base year. Landed price of imports from subject countries being below the cost of sales throughout the injury period, the imports from subject countries are massively undercutting the domestic prices during the injury investigation period. Imports are both depressing and suppressing the prices of the domestic industry as well. Overall performance of the domestic industry has deteriorated in respect of various economic parameters such as profits, cash profits and ROI. Profitability has shown significant decline over the injury period. Return on capital employed (ROCE) declined sharply till 2018-19 and even though it improved in POI, the same was at a sub-optimal level. Profitability, gross profit before tax and return on capital employed have all witnessed significant decline in the period of investigation as compared to base year. Even though the performance of the domestic industry has improved in respect of production and domestic sales, the same is a result of significant fresh investments made by the domestic industry. Further, the decline in price parameters (profits, cash profits and ROI) far outweigh the improvement in production and domestic sales.

**J. NON-ATTRIBUTION ANALYSIS**

98. 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. Factors which may be relevant in this respect include, *inter alia*, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the domestic industry. It has been

examined below whether factors other than dumped imports could have contributed to the injury to the domestic industry:

**a. Volume and Prices of Imports from Third Countries**

99. The Authority notes that the volume of imports of the product under consideration from other countries are at *de minimis* volumes.

**b. Contraction in demand and/or change in pattern of consumption**

100. The demand for the subject goods has increased throughout the injury period. The pattern of consumption with regard to product under consideration has not undergone any change. Changes in the pattern of consumption could not have, therefore, contributed to the injury to the domestic industry.

**c. Export Performance of the domestic industry**

101. It is noted that injury analysis is based on domestic performance. Hence, the injury is not on account of export performance of the domestic industry.

**d. Development of Technology**

102. It is noted that the technology for producing subject goods has not undergone any change and therefore, could not have caused injury to the domestic industry.

**e. Performance of other products of the company**

103. It is noted that domestic industry has segregated its performance with respect of different products. The performance of other products those are being produced and sold by the domestic industry are not a cause of injury.

**f. Trade Restrictive Practices and Competition between Foreign and Domestic producers**

104. The import of the subject goods is not restricted in any manner and the same are freely importable in the country. The domestic producers compete with the landed prices of the subject goods. The price of the domestic industry is influenced substantially by the landed prices of subject goods. Moreover, no evidence has been submitted by any interested party to suggest that the conditions of competition between foreign and domestic producers have undergone any change.

**g. Productivity**

105. It is noted that productivity of the domestic industry has been improving throughout the injury period and the improvement is due to the addition of new capacities, and thus, injury to the domestic industry is not on this account.

**K. FACTORS ESTABLISHING CAUSAL LINK**

106. The Authority concludes that the domestic industry has not suffered injury due to other known factors listed above. Further, the following factors show that the dumped imports from subject countries have caused material injury to the domestic industry.

- a. The landed price of imports from subject countries being below the cost of sales throughout the injury period, the imports from subject countries are massively undercutting the domestic prices throughout the injury investigation period.
- b. Such low-priced imports have had suppressing and depressing effect on the selling price of the domestic industry.
- c. The price suppression and depression suffered by the domestic industry has led to the decline in performance of the domestic industry in respect of profits, cash profits and return on investments despite increase in production and sales.

107. The Authority, thus, concludes that dumped imports from subject countries have caused injury to the domestic industry.

#### L. MAGNITUDE OF INJURY MARGIN

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

109. Based on the landed price and non-injurious price determined as above, the injury margin for producers/exporters has been determined by the Authority and the same is provided in the table below: -

Country	Producer	Non-Injurious Price (INR/CBM)	Landed Price (INR/CBM)	Injury Margin (INR/CBM)	Injury Margin (%)	Injury Margin (USD/CBM)	Injury Margin (Range in %)
Thailand	Panel Plus MDF Company Limited	***	***	***	***	***	20-30
	Vanachai Panel Industries Limited	***	***	***	***	***	20-30
	All Others	***	***	***	***	***	30-40

Malaysia	Segamat Panel Board SDN. BHD.	***	***	***	***	***	20-30
	All Others	***	***	***	***	***	40-50
Indonesia	PT Mukti Panel Industri	***	***	***	***	***	15-25
	PT Sumatera Prima Fibrebord	***	***	***	***	***	10-20
	All Others	***	***	***	***	***	25-35
Vietnam	All	***	***	***	***	***	35-45

### **M. POST DISCLOSURE COMMENTS**

110. The Authority issued a disclosure statement on 7<sup>th</sup> April, 2021 disclosing essential facts of the case and inviting comments from all the interested parties. The post-disclosure submissions have been received from the interested parties. Majority of the issues raised have already been raised earlier and also addressed appropriately. Additional submissions to the extent deemed relevant have been examined as under

#### **M.1. Submissions by Domestic Industry**

111. Following submissions have been made by the domestic industry:

- a. The questionnaire response filed by SPB Panel Industries Company Limited, Thailand should be rejected on the grounds that it is in violation of sub rule 2 of Rule 7 of Anti-dumping Rules, 1995.
- b. The dumping margin of Panel Plus could not have been negative because 50% of exports from Thailand are made by this company and 75% of imports are priced below Rs 15,000Rs/CBM(CIF). It is requested to the Authority to kindly undertake detailed verification of export price not only by comparing the same with other responding exporters, but also by comparing the same with DG Systems data.
- c. The Authority is requested to disclose the fact considered for normal value in case of Vietnam. Further cost of production of domestic industry for determination of NIP cannot be taken for construction of normal value for

Vietnam since Annexure-1 prescribes for actual cost of production for calculating normal value and not any normated cost of production.

- d. When the raw material prices of the subject exporter are distorted due to government interference it does not reflect fair market value. So, in such case the normal value should instead be constructed on the basis of costs of production and sale reflecting undistorted prices or benchmarks. The raw material prices of the exporters in the subject countries are not reflective of the market prices and should be rejected for computation of normal value.
- e. The contentions regarding threat of material injury to the domestic industry in the event of non-imposition of antidumping duty have not been considered in the disclosure statement. The domestic industry requests that the existence of threat of material injury be examined for the purpose of final findings in the present investigation.
- f. No concern has been raised by any of the consumers on imposition of anti-dumping duty. This shows that they do not consider anti-dumping duty to have significant adverse impact on them. The effect of anti-dumping measures on public interest must be studied from the perspective of interests of different set of parties. Imposition of anti-dumping duty will be in the interest of producers, consumers, users and public at large and will also help the country and domestic industry to reduce their dependency on imports.

## **M.2. Submissions by other interested parties**

112. Following submissions have been made by other interested parties:

- a. The Authority should examine whether other domestic producers, who came before the Authority in other investigations should be included as part of 'domestic industry'. Constituents of domestic industry will have direct and material effect on the evaluation of injury and injury margin.
- b. The respondent reiterates that the numerous trade remedial protection provided to the Domestic Industry coupled with the repeated claim of injury by the Domestic Industry through different applications indicates towards one inescapable conclusion that injury, if any, to the Domestic Industry is on account of factors other than the alleged dumped imports.
- c. Other domestic producers are performing much better in the market and the prices in the Indian market are benchmarked by the competitive prices offered by such producers. In such a situation, there is no reason as to why the data relating to the other producers should not be called for before making final determination even at the post-disclosure stage of the investigation.
- d. Based on the information provided by the Authority vide email dated 8th April, 2021, it seems that the Authority has considered different cost for the purpose of carrying out the 80:20 test as well as Normal Value against our claimed cost. The Authority should consider the actual cost claimed by the respondent for the purpose of carrying out the 80:20 test and normal value as it is a single product company and actual cost incurred by the respondent has been captured in the books of account.

- e. The domestic Industry has not suffered any injury on account of the alleged dumped imports.
- f. In commensurate with the increase in capacity, the DI was in a position to produce and sell more. The capacity utilization of DI increased even after significant addition in capacity.
- g. Profitability and ROCE increased during the POI in comparison to the immediate previous year. This shows the DI was in a dominant and non-injurious position during the POI both in terms of volume and price parameters.
- h. Though the Disclosure statement shows price undercutting, what is to be noted here is that the price undercutting substantially reduced over the years as the DI was able to maintain its price at a higher level.
- i. Post POI analysis is not a requirement in a fresh investigation, but there is no bar under the law to call for such data. Published results of Centuryply is for the MDF division, which must cover the PUC. The available data for Greenply is for company as a whole. Such data makes a strong case for calling in post POI data specifically for PUC from the petitioners to gauge the actual growth in the Post POI period and it cannot be a situation that MDF division did well but the PUC did not do well.
- j. An overall analysis of the economic parameters set out in para (iv) of Annexure II clearly reveal that the situation of the Domestic Industry improved substantially.

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

113. The Authority notes that most of the submissions by parties are repetitive in nature and were already addressed earlier in the disclosure statement. The findings above *ipso facto* deal with these arguments of the parties. Further, the Authority has examined submissions of interested parties herein below to the extent relevant and not addressed elsewhere:

- a. With regard to the claim that dumping margin for Panel Plus cannot be negative because its export price is lower for majority of export volumes to India, the Authority notes that domestic industry cannot assume positive dumping margin by simply looking at export price. Dumping margin is difference between normal value and export price and therefore lower export price may only increase the likelihood of positive dumping margin, but it does not necessarily rule out the possibility of negative dumping margin in such a situation. The Authority has determined dumping margin for Panel Plus in accordance with the provisions of Act and the Rules.
- b. As regards argument of raw material distortions, it is noted that the domestic industry has not established that the raw material prices are distorted in the subject countries and has not substantiated their argument with verifiable information.
- c. As regards the claim that the Authority has not determined existence of threat of material injury, it is noted that Authority has determined that



there is material injury to the domestic industry. Therefore, the claim of the domestic industry that there is also threat of material injury is not necessary to be examined.

- d. As regards the claim that consumers have not objected to the imposition of anti-dumping duty nor established adverse effects, Authority notes that adequate opportunity has been provided to all interested parties to provide relevant information. The present findings are based on information provided by the interested parties and considered relevant by the Authority. .
- e. As regards the claims that other domestic producers should be included as part of the domestic industry, the Authority notes that adequate opportunities were provided to all interested parties, including other domestic producers to provide relevant information to the Authority. The Authority cannot force participation in the investigations by any interested party. The Authority has included all such companies within the scope of the domestic industry who have provided relevant information. However, the rights of the domestic industry cannot be undermined merely because some of the domestic producers have preferred not to join the application as a domestic industry. Further, none of the interested parties have provided any such information/evidence which shows that injury determination is distorted due to non-inclusion of other domestic producers. Having regard to facts on record, Authority examined whether the domestic producers whose information is on record can be collectively considered as domestic industry under the Anti-dumping Rules.
- f. Opposing interested parties have claimed that numerous trade remedial measures coupled with the repeated claim of injury by the Domestic Industry through different applications indicates that injury, if any, to the Domestic Industry is on account of factors other than the alleged dumped imports. In this regard, it is noted that the assessment of injury and causal link has been made after examining all known factors including the factors other than dumped imports.
- g. As regards the claim that other domestic producers are performing better, the Authority notes that interested parties have not provided relevant information on all injury parameters to substantiate their claim that other domestic producers are not suffering injury. Moreover, Authority is required to assess whether or not domestic producers constituting domestic industry have suffered injury.
- h. As regards the claim that domestic industry is not suffering injury due to improvement in volume and price parameters, the Authority notes that it has conducted comprehensive assessment of all relevant injury parameters in the final findings above before determining that the overall assessment shows that domestic industry is suffering material injury.
- i. As regards the claim that the Authority should analyse post POI data to confirm its assessment of material injury, the Authority notes that assessment of injury to the domestic industry is based on injury investigation period including the POI. There is no requirement to assess

post POI data for determination of material injury to the domestic industry in original investigation. Nor it would be appropriate to selectively consider post POI in a particular investigation.

- j. As regards claims regarding determination of normal value of Vietnam, the Authority notes that it has determined normal value in accordance with the Rules and having regard to non-cooperation by the concerned parties.
- k. As regards consideration of the cost of production for assessment of normal value, it is clarified that the Authority has considered the cost of production claimed by the exporters, and has determined the same, after taking into account various information provided by the exporters and making appropriate adjustments.

#### **N. INDIAN INDUSTRY'S INTEREST AND PUBLIC INTEREST**

114. Authority considered whether imposition of proposed ADD shall have adverse public interest. This determination is based on consideration of information on record and interests of various parties, including domestic industry, importers and consumers of the product.
115. The authority issued initiation notification inviting views from all interested parties, including importers, consumers and others. Authority also prescribed a questionnaire for the users/ consumers to provide relevant information with regard to present investigation, including possible effect of ADD on their operations. Barring Feroke Boards Limited, none of the users have filed user questionnaire response. Further Feroke Boards Limited is a user of moulded door skin which is not subject to investigation and therefore has no relevance in the present investigation. Association of Furniture Manufacturers of India (AFMI) have filed submissions but none of its members have filed user questionnaire response. Submissions made by Association of Furniture Manufacturers of India have been taken into account in this determination. The association too has not provided any quantified and verifiable information to demonstrate possible adverse effect of proposed antidumping duty on the consumers and public at large. Even though the Authority has prescribed formats for the users to quantify the impact of ADD and elaborate how imposition of ADD shall adversely impact them, it is noted that none of the users have provided relevant information. Even association has not provided any quantified and verifiable information in this regard. It is, thus, noted that the interested parties have not established impact of ADD on the user industry with verifiable information.
116. The Authority notes that the purpose of anti-dumping duty, in general, is to eliminate injury caused to the Domestic Industry by the unfair trade practices of dumping so as to establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of anti-dumping measures would not restrict imports from the subject countries in any way, and, therefore, would not affect the availability of the product to the consumers.
117. It is recognized that the imposition of anti-dumping duty might affect the price levels of the product manufactured using the subject goods and consequently

might have some influence on relative competitiveness of this product. However, fair competition in the Indian market will not be reduced by the anti-dumping measure, particularly if the levy of the anti-dumping duty is restricted to an amount necessary to redress the injury to the domestic industry. On the contrary, imposition of anti-dumping measure would remove the unfair advantages gained by dumping practices, prevent the decline in the performance of the Domestic Industry and help maintain availability of wider choice to the consumers of the subject goods. The Authority notes that significant fresh capacities have been set up in the country, adequate to take care of entire Indian demand. Further, the product is produced and sold by a number of domestic producers in the country, which shall ensure enough domestic competition.

## O. CONCLUSION

118. 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 that:

- i. M/s Greenply Industries Limited /Greenpanel Industries Limited constitute domestic industry under Rule 2(b) of the Rules. Further, application meets the criteria of standing in terms of Rule 5(3) of the Rules with or without Century Plyboards (India) Ltd.
- ii. Since domestic industry is not manufacturing moulded door skin, the same is excluded from the scope of the PUC.
- iii. The product produced by the domestic industry is like article to PUC imported from the subject countries.
- iv. Considering the normal value and export price for subject goods, the dumping margins for the subject goods from each of the subject exporters and countries is above de minimus except for Panel Plus MDF Company Limited.
- v. The Domestic Industry has suffered material injury. The Authority notes that subject imports have increased over the injury period in relation to gross imports. Even though the subject imports have shown marginal decline in the POI as compared to preceding year, the level of imports in the POI is still significant high and higher than the levels registered in the base year. Landed price of imports from subject countries being below the cost of sales throughout the injury period, the imports from subject countries are massively undercutting the domestic prices and causing both depression and suppression effect on the prices of the domestic industry as well. Overall performance of the domestic industry has deteriorated in respect of various economic parameters such as profits, cash profits and ROI. Profitability has shown significant decline over the injury period. Return on capital employed (ROCE) declined sharply till 2018-19. and even though it improved in POI, the same was at a sub-optimal level. Profitability, gross profit before tax

and return on capital employed have all witnessed significant decline in the period of investigation as compared to base year.

- vi. The domestic industry has not suffered injury in the POI due to other factors. The domestic industry has suffered injury due to dumping of product under consideration from subject countries.
- vii. Even though the performance of the domestic industry has improved in respect of production and domestic sales, the same is a result of significant fresh investments made by the domestic industry. Further, the decline in price parameters (profits, cash profits and ROI) far outweigh the improvement in production and domestic sales.
- viii. Even though the Authority has prescribed formats for the users to quantify the impact of ADD and elaborate how imposition of ADD shall adversely impact them, it is noted that none of the users have provided relevant information. It is, thus, noted that the interested parties have not established impact of ADD on the user industry with verifiable information.

## **P. RECOMMENDATIONS**

119. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide information on the aspects of dumping, injury and the causal link. Having initiated and conducted an investigation into dumping, injury and the causal link thereof in terms of the Rules and having established positive dumping margin as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that imposition of anti-dumping duty is necessary to offset dumping and injury.
120. In view of above, the Authority, in terms of provisions contained in Rule 17(1) (b) read with Rule 4(d) of the Rules, recommends imposition of anti-dumping duty equal to the lesser of margin of dumping and the margin of injury, so as to remove the injury to the Domestic Industry. The Authority accordingly recommends imposition of anti-dumping duty on the import of subject goods originating in or exported from Vietnam, Malaysia, Thailand & Indonesia for a period of five years from the date of notification to be issued in this regard by the Central government, as the difference between the landed value of the subject goods and the amount indicated in Col. 7 of the duty table appended below, provided the landed value is less than the value indicated in Col 7. of the duty table.
121. The landed value of imports for this purpose shall be assessable value as determined by the Customs under Customs Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

**DUTY TABLE**

S. No.	Heading	Description	Country of origin	Country of export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	4411	Plain Medium Density Fibre Board having thickness less than 6mm*	Vietnam	Any country including Vietnam	Any producer	255.35	CBM	USD
2.	4411	Plain Medium Density Fibre Board having thickness less than 6mm*	Any country other than Vietnam, Malaysia, Thailand & Indonesia	Vietnam	Any Producer	255.35	CBM	USD
3.	4411	Plain Medium Density Fibre Board having thickness less than 6mm*	Malaysia	Any Country including Malaysia	Segamat Panel Board SDN. BHD.	258.42	CBM	USD
4.	4411	Plain Medium Density Fibre Board having thickness less than 6mm*	Malaysia	Any Country including Malaysia	Any producer other than at serial number 3	258.42	CBM	USD
5.	4411	Plain Medium Density Fibre Board having thickness less than 6mm*	Any country other than Vietnam, Malaysia, Thailand	Malaysia	Any Producer	258.42	CBM	USD

S. No.	Heading	Description	Country of origin	Country of export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			& Indonesia					
6.	4411	Plain Medium Density Fibre Board having thickness less than 6mm*	Thailand	Any Country including Thailand	Panel Plus MDF Company Limited	NIL	CBM	USD
7.	4411	Plain Medium Density Fibre Board having thickness less than 6mm*	Thailand	Any Country including Thailand	Vanachai Panel Industries Limited	258.42	CBM	USD
8.	4411	Plain Medium Density Fibre Board having thickness less than 6mm*	Thailand	Any Country including Thailand	Any producer other than at serial number 6 & 7	258.42	CBM	USD
9.	4411	Plain Medium Density Fibre Board having thickness less than 6mm*	Any country other than Vietnam, Malaysia, Thailand & Indonesia	Thailand	Any Producer	258.42	CBM	USD
10.	4411	Plain Medium Density Fibre Board having thickness less	Indonesia	Any Country including Indonesia	PT Mukti Panel Industri	227.47	CBM	USD

S. No.	Heading	Description	Country of origin	Country of export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		than 6mm*						
11.	4411	Plain Medium Density Fibre Board having thickness less than 6mm	Indonesia	Any Country including Indonesia	PT Sumatera Prima Fibrebord	244.60	CBM	USD
12.	4411	Plain Medium Density Fibre Board having thickness less than 6mm*	Indonesia	Any Country including Indonesia	Any producer other than at serial number 10 & 11	258.42	CBM	USD
13.	4411	Plain Medium Density Fibre Board having thickness less than 6mm*	Any country other than Vietnam, Malaysia, Thailand & Indonesia	Indonesia	Any Producer	258.42	CBM	USD

*\* The laminated Medium Density Fibre Board (laminated MDF Board) is beyond the scope of product under consideration. The Plain Medium Density Fibre Board having thickness of 6MM or more is excluded from the product scope. The product under consideration accordingly is, "Plain Medium Density Fibre Board having thickness less than 6mm." Moulded door skin is also excluded from the scope of product under consideration.*

**Q. FURTHER PROCEDURE**

122. An appeal against the order of the Central Government that may arise out of this recommendation shall lie before the Customs, Excise and Service tax Appellate Tribunal in accordance with the relevant provisions of the Act.



**(Anant Swarup)**  
**Designated Authority**