

**14/34/2010-DGAD**  
**Government of India**  
**Ministry of Commerce & Industry**  
**Department of Commerce**  
**Directorate General of Anti Dumping & Allied Duties**  
**Udyog Bhawan, New Delhi**

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Dated the 23<sup>rd</sup> May 2011

**INITIATION NOTIFICATION**

**Subject: Initiation of anti-dumping investigation concerning imports of ‘Grinding Media Balls’ (excluding Forged Grinding Media Balls) originating in or exported from Thailand and China PR**

**No. 14/34/2010-DGAD:** Whereas M/s AIA Engineering Ltd and M/s Welcast Steels Limited, (hereinafter referred to as the Applicants ) have jointly filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975, as amended from time to time, (hereinafter referred to as the Act) and 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 referred to as the AD Rules), alleging dumping of ‘Grinding Media Balls’ (excluding Forged Grinding Media Balls) (hereinafter also referred to as the subject goods) originating in or exported from Thailand and China PR (hereinafter also referred to as the subject countries) and has requested for initiation of anti- dumping investigation and levy of anti dumping measures.

**Product under consideration**

2. The product under consideration is ‘Grinding Media Balls’ (also known as ‘Casting Balls’) excluding Forged Grinding Media Balls (hereinafter also referred to as the ‘Subject goods’). ‘Grinding Media Balls’ (in short, ‘GM Balls’) are produced in different sizes, shapes and compositions for use in diverse applications. Further, it is available in different hardness depending upon varying requirements of the customers.

3. The product under consideration is extensively used in cement build materials, metal mine, coal slurry, thermal power plant, chemical engineering, ceramic industry, dope industry, light industry such as papermaking and magnetic material etc for powder preparation. The subject goods are classified under Customs sub-heading 7325 9100 of Chapter 73 of the Customs Tariff Act, 1975. However, the Customs classification is indicative only and in no way binding on the scope of this investigation.

**Domestic Like Article**

4. The Applicants have claimed that there is no known significant difference in the subject goods produced by the Indian industry and the subject goods exported from the subject countries. The subject goods produced by the Indian industry and 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.

5. Thus, the subject goods produced by the Applicants are being treated as like article to the product under consideration imported from the subject countries within the meaning of the AD Rules for the purpose of this investigation.

### **Domestic industry & 'Standing'**

6. The application has been filed by M/s AIA Engineering Ltd and M/s Welcast Steels Limited on behalf of the domestic industry. M/s Welcast Steels Limited is subsidiary of M/s AIA Engineering Ltd. As per the application, there are two more known producers of product concern in India.

7. As per information available on record, the Applicants account for over 90% of the total Indian production of the subject goods and thus the production of the Applicants account for a major proportion of the domestic production. It is evident from the above that the Applicants account for 'a major proportion' of total Indian production. The applicants therefore satisfy the 'Standing' requirement and constitute 'domestic industry' according to the AD Rules.

### **Countries involved**

8. The countries involved in the present investigation are China PR and Thailand (hereinafter also referred to as the subject countries).

### **Normal value**

#### **China PR**

9. The Applicants have claimed that China PR is a non market economy country. It has been further claimed that in the instant case Normal Value could not be determined by them on the basis of price or constructed value in a market economy third country as the relevant information is not publicly available and that the Normal value as described under the Statute is the "comparable price in the ordinary course of trade for the like article when meant for consumption in such market economy third country". It has been claimed by them that they have not been able to procure such information from a producer in market economy third country. It has been further contended that price from market economy third countries to other countries could not be adopted as (a) the information is not available; (b) the price so adopted must be a price in the ordinary course of trade; (c) such information would also require co-operation from a producer in such third country. Also, prices from such third countries to India could not be adopted as the same might be influenced by the prices from the subject countries; and the product concerned involves a number of grades, which differs significantly in terms of associated cost as well as price. The Applicants have further claimed that India is an appropriate surrogate country for the producers in China PR.

10. In absence of sufficient information regarding the other methods as are enshrined in para 7 of Annexure I of the AD Rules, the Normal value has been determined by adopting the method "any other reasonable basis". Normal Value is thus has determined on the basis of

the cost of production of product concerned in India, including selling, general and administrative expenses and profit.

### **Thailand**

11. The Applicants have claimed that efforts were made by them to get evidence of prices of product concerned in the domestic market of Thailand and that efforts were also made to get any evidence of prices from published sources. However, despite making all reasonable efforts to procure authentic evidence with regard to actual transactions prices of sale of the subject goods in the domestic market of Thailand as well as the actual transaction prices at which the subject goods are being exported from Thailand to other countries, they could not procure adequate and accurate evidence in this regard. Therefore, they have determined Normal Value on the basis of estimated cost of production of GM Balls in Thailand.

12. However, the Authority collected the data in respect of exports of GM balls to third countries from Thailand. Although the data is not available on grade-wise basis, yet it has been considered as a prima facie evidence for determining the Normal value, on alternative basis, for the purposes of initiating this investigation.

### **Export Price**

13. The Applicants have determined export prices based on the data compiled by IBIS, Mumbai. The export prices have been adjusted for Ocean freight, Marine insurance, Commission, Inland transportation in the country of export, Port expenses, and Bank Charges etc to arrive at net export price at ex-factory level.

### **Dumping margin**

14. The applicants have provided sufficient evidence that the normal values of the subject goods in the subject countries are significantly higher than the net export prices, prima-facie indicating that the subject goods originating in or exported from the subject countries are being dumped, to justify initiation of an antidumping investigation.

### **'Injury' and causal link**

15. The Applicants have claimed material injury as a result of the alleged dumping of the subject goods from the subject countries. It has been claimed that the imports have increased in absolute terms and in relation to consumption in India and that the imports are significantly undercutting the prices of the domestic. The Applicant has further claimed deterioration in performance of the domestic industry in terms of market share, sales, Cash Profit, return on capital employed and inventories etc.

16. There is sufficient evidence of the 'injury' being suffered by the domestic industry caused by the dumped imports from the subject countries to justify initiation of an antidumping investigation in terms of the AD Rules.

### **Initiation of Anti Dumping Investigation**

17. In view of the foregoing, the Authority finds that sufficient evidence of dumping of the subject goods from the subject countries, 'injury' to the domestic industry and causal link

between the dumping and 'injury' exists to justify initiation of an anti-dumping investigation. Accordingly, the Authority hereby initiates an investigation into the alleged dumping, and consequent 'injury' to the domestic industry in terms of the Rules 5 of the AD Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of anti-dumping measure, which, if levied, would be adequate to remove the injury to the domestic industry.

### **Period of investigation**

18. The applicants have proposed October 2009 to September 2010 as period of investigation. While adopting this period as POI only for the purpose of initiation, the Authority has considered **January 2010 to December 2010 as the POI for the purpose of present investigation.** The injury investigation period will, however, cover the periods April 2007-March 2008, April 2008-March 2009, April 2009-March 2010 and the Period of Investigation (POI) viz. January 2010 to December 2010. For threat of material injury, the data beyond the POI may also be examined.

### **Submission of information**

19. The known exporters in the subject countries and their Governments through their Embassies in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other interested party may also make its submissions relevant to the investigation within the time-limit set out below and write to:

**The Designated Authority,  
Directorate General of Anti-Dumping & Allied Duties,  
Ministry of Commerce & Industry,  
Department of Commerce  
Room No.243, Udyog Bhawan,  
New Delhi -110107.**

20. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.

### **Time limit**

21. Any information relating to this investigation and any request for hearing should be sent in writing so as to reach the Authority at the above mentioned address, not later than forty days (40 Days) from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings on the basis of the 'facts available' on record in accordance with the AD Rules.

### **Submission of information on Confidential basis.**

22. In case confidentiality is claimed on any part of the questionnaire's response/submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc. ) and (b) other set marked as Non-Confidential (with

title, index, number of pages, etc.). All the information supplied must be clearly marked as either “confidential” or “non-confidential” at the top of each page.

23. Information supplied without any mark shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies each of the confidential version and the non-confidential version must be submitted.

24. For information claimed as confidential; the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed and/or why summarization of such information is not possible.

25. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out / summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, party submitting the confidential information may indicate that such information is not susceptible of summary, a statement of reasons why summarization is not possible, must be provided to the satisfaction of the Designated Authority.

26. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Designated Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.

27. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim may not be taken on record by the Designated Authority. The Designated Authority on being satisfied and accepting the need for confidentiality of the information provided; shall not disclose it to any party without specific authorization of the party providing such information.

### **Inspection of Public File**

28. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

### **Use of ‘facts available’**

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

*(Vijaylaxmi Joshi)*  
**The Designated Authority**