

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)**

New Delhi the 10th April, 2012

Final Findings

Subject:- Mid-Term Review investigation in respect of the anti-dumping duties imposed on imports of 'Acetone' originating in or exported from Chinese Taipei .

No. 15/2/2011-DGAD-Whereas the Designated Authority (hereinafter referred to as the Authority), having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter 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 referred to as the AD Rules); recommended, *inter alia*, imposition of Anti Dumping duty on the imports of 'Acetone' (hereinafter also referred to as the subject goods) originating in or exported from Chinese Taipei (hereinafter also referred to as the subject country) falling under Sub-heading 2914.11 of ITCES. The final findings were notified vide Notification No 14/4/2006-DGAD dated 4th January, 2008 and definitive anti dumping duty was imposed vide Notification No. 33/2008-Customs dated 11th March, 2008.

2. The Authority received a duly substantiated application from M/s Formosa Chemical & Fibre Corporation, Chinese Taipei requesting the Authority to undertake a Mid-Term Review of the anti dumping duty imposed on the subject goods originating in or exported from Chinese Taipei. The Applicant, *inter alia*, listed the following grounds for undertaking the mid-term review:
 - That basic Raw Materials (viz. Benzene and Propylene) prices have significantly increased during the period of investigation as compared to the POI of the original investigation.
 - There is significant increase in export price of subject goods to India as compared to the original investigation in respect of exports from Chinese Taipei. Same trend has been noticed in respect of export price to other countries from Chinese Taipei.
 - Negative Dumping Margin has been claimed by the applicant during the period of investigation.

- There is a change in methodology of computation of Normal Value based on amendment in the Act.
- Domestic sales price in India has also shown significant increase as compared to the original investigation.

Whereupon, the Authority considered that changes in the circumstances as enunciated above necessitate initiation of a mid-term review.

3. Having satisfied itself that the applicant has produced sufficient positive information substantiating the need for a review, the Authority initiated the mid-term review investigation of anti-dumping duty imposed on imports of the subject goods originating in or exported from the subject country vide Notification No. 15/2/2011-DGAD dated 15th April, 2011 in accordance with Section 9A (5) of the Act, read with Rule 23 of the AD Rules.

B. PROCEDURE

4. In these proceedings the procedure described below has been followed:
 - i. The Economic & Cultural Centre of the subject country in India were informed about the initiation of the investigation, in accordance with Rule 6(2) of the AD Rules.
 - ii. The Authority sent copies of initiation notification dated 15th April, 2011 to the Economic & Cultural Centre of the subject country in India, known exporters from the subject country, known importers and other interested parties, and the domestic producers, as per the information available with it. Parties to this investigation were requested to file the questionnaires' responses and make their views known in writing within the prescribed time limit. Copies of the letter and questionnaires sent to the exporters were also sent to the Economic & Cultural Centre of the subject country along with a list of known exporters / producers with a request to advise the exporters/ producers from the subject country to respond to the questionnaires within the prescribed time.
 - iii. Copy of the non-confidential version of the application filed on behalf of the applicant was made available to the known exporters, domestic producers and the Economic & Cultural Centre of the subject country in accordance with Rule 6(3) of the AD Rules.
 - iv. Questionnaires were sent to the following known exporters from the subject country in accordance with Rule 6(4) of the AD Rules to elicit relevant information:

S.N.	Company's Name
1.	Taiwan Prosperity Chemical Corporation, Floor:9, No.113, Chung Shan N. Road Sec.2, Taipei,104, Taiwan
2.	Chang Chun Plastic Co. Ltd. 7 th Floor, No.301, Song kiang Road, Taipei, 104, Taiwan.

In response to the notification, M/s FCFC and Taiwan Prosperity Chemical Corporation have filed their questionnaire responses. Barring these two companies, no other exporter has responded to the questionnaires in response to the above notification.

- v. Questionnaires were sent to the following known domestic producers, importers and users of the subject goods in India for necessary information in accordance with Rule 6(4) of the AD Rules:

S.N.	Company's Name
1.	M/s Schenectady Herdillia Ltd, Air India Building, Nariman Point, Mumbai-400 021
2.	M/s Hindustan Organic Chemicals Ltd. Rasayani Tal, Panvel, District: Raigad, Maharashtra 410207
3.	M/s Kundan Group, Kundan House, D-17, Central Market, Prashant Vihar, Delhi-110085
4.	M/s Akin Chemicals Put Lt, Jash Chambers, 5th Floor, Sir PM Road, Fort, Mumbai-400 021
5.	M/s Pon Pur Chem, Plot No.14, Room No.5, 1st Floor, Popular Plaza, Gandhidham-370207
6.	M/s SI Group India Limited, Opp. Jui Nagar Railway Station, Thane Belapur Road, Turbhe, Navi Mumbai Maharashtra-400 705
7.	M/s Prasol Chemicals Ltd, Prasol House, Plot No.A-17/2/3, TTC Industrial Area, Khairne MIDC, Navi Mumbai-400 710
8.	M/s Ketul Enterprises, Plot No.14/15, Sector 1/A, 2nd Floor, Room No.15, , Sector 1/A, 2nd Floor, Popular Plaza, Gandhidham, Gujarat
9.	M/s Sonakamal Enterprises Pvt. Ltd, 602, Sunil Enclave, 6th Floor, Periera Hill Road, Off. Andheri Kurla Road, Andheri East, Mumbai-400 099
10.	M/s Apra Enterprises, 1, Sai Chambers, 2nd Floor 365, Narsi Natha Street, Katha Bazar, Mumbai-400 009
11.	M/s Pioneer Chemical Industries, Plot No.28, Sector:9, Shop No.7, Jai Ambe Chambers, Gandhidham Gujarat370201
12.	M/s Sanjay Chemicals I Pvt. Ltd, Office No.5, 1st Floor, Saraswati Building Plot ;No.501, Ward 12C. Gandhidham (Kutch), Gujarat
13.	M/s Ramesh Kumar & Co.-201/203 Prathmesh, 2nd Floor, Raghuvanshi Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400 013

In response to the above notification, no importer/ user have filed its questionnaire' response. Out of the domestic producers, M/s Hindustan Organic Chemicals Ltd has filed its submissions along with injury related information/data.

- vi. The imports data for the period of investigation and preceding three years was called from Directorate General of Commercial Intelligence and Statistics (DGCI&S).
- vii. The Authority made available non-confidential version of the evidence presented by the interested parties in the form of a public file kept open for inspection by the interested parties.
- viii. As stated, the application for mid-term review was filed by M/s Formosa Chemical & Fibre Corporation, Chinese Taipei requesting the Authority to undertake a Mid-Term Review of the anti dumping duty imposed on the subject goods originating in or exported from Chinese Taipei. In response to the initiation notification M/s Hindustan Organics Ltd, Kochi has submitted the information/data for undertaking injury analysis. The Authority has examined the information furnished by the domestic industry to the extent possible on the basis of Generally Accepted Accounting Principles (GAAP) to analyze the injury suffered and to work out the cost of production, cost to make and sell the subject goods in India so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- ix. In accordance with Rule 6(6) of the AD Rules, the Authority also provided opportunity to all interested parties to present their views orally in a public hearing held on 25th July 2011. The parties, which presented their views in the public hearing, were requested to file written submissions of the views expressed orally. The arguments made in the written submissions/rejoinders received from the interested parties have been considered, wherever found relevant, in these findings.
- x. The period of investigation for purposes of the present review is 1st October 2009 to 30th September 2010 (12 months). However, injury analysis shall cover the years 2007-08, 2008-09, 2009-10 and the POI.
- xi. 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 on confidential basis.
- xii. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has recorded the Discourse statement on the basis of the 'facts available'.
- xiii. *** In this statement represents information furnished by the interested parties on confidential basis and so considered by the Authority under the AD Rules.

C. Submissions made by the interested parties in response to the Disclosure statement and examination thereof by the Authority

5. The following submissions have been made on behalf of the domestic industry in response to the Disclosure statement:
- The responding exporters have given no material to the Authority to determine likelihood of dumping.
 - The Authority has ignored the current situation of the product, which clearly shows that the domestic industry is once again facing financial losses.
 - Fair comparison principles have been ignored in determining injury margin:
 - (i) Freight cost of the domestic industry has been completely ignored while comparing the domestic industry price with landed price of imports.
 - (ii) The non injurious price determined is without considering the discounts and commission paid by the domestic industry. Just opposite, the discounts & commissions paid by the exporters have been included in landed price of imports.
 - (iii) The authority has deducted export price for the credit cost only for the purpose of determining dumping margin. However, the approach has not been followed for determining injury margin. Since cash discounts of the domestic industry have been excluded, the credit cost incurred by the exporter should also be excluded both for determining dumping margin and injury margin.
 - (iv) Since non injurious price has been determined at ex-factory level, the export price for the purpose of injury margin should also be considered on ex-factory level. There is no legal prescription that the landed price of imports should include the freight cost incurred by the exporter.
 - Non injurious price arguments of the domestic industry have been ignored. It has contended that:
 - (v) Net fixed assets cannot form the basis for determination of profits when the original acetone plant setup by the domestic industry is already fully depreciated.
 - (vi) The rules do not prescribe the quantum of reasonable profits that the Designated Authority should consider. Given the high age of the plant, the Designated Authority should consider higher rate of return for the domestic industry. It is without any rationality to grant 22% return to a brand new investment and 22% return on 20-50 years old investments.
 - (vii) Further, the domestic industry notes that the present law itself is against the basic right of domestic industry to seek protection against unfair dumped imports. The domestic industry submits that the determination of non injurious price is inappropriate and is leading to unduly low protection to the domestic industry. Followings are relevant in this regard

- It has been contended that the Authority is required to consider actual raw material and utilities consumption. Further, it would be inappropriate to ignore actual production and adopt any other production basis for determination of non injurious price. Besides, the capital employed should be determined considering present value of fixed assets, or at the least gross value of fixed assets and that adoption of net fixed assets is highly inappropriate, considering that some of the investments are significantly old and therefore net fixed assets does not represent true value of investments. In fact, the most appropriate value for the purpose is present value of the investments.
- It has been contended that the no likelihood of dumping has been determined.
- All relevant factors for likelihood of injury have not been considered.
- The difference between non injurious price and net sales realization is immaterial in a midterm review investigations.

Examination by the Authority

6. The Authority has examined the issues raised by the interested parties in response to the Disclosure statement as follows:
 - The Authority notes that it has duly examined whether the continued imposition of the anti-dumping duty in the instant matter is necessary to offset dumping and whether the injury would be likely to continue or recur if the duty were removed or varied or both; as may be evident from the relevant sections of these findings.
 - As regards, the current situation of the product; the Authority examined and evaluated the information/data not only with reference to the period of investigation but has also analysed the post POI information/data for assessing recurrence of injury claims and arriving at its conclusions.
 - As regards the contention that fair comparison principles have been ignored in determining injury margin; the Authority notes that the contention is devoid of any substance as the Authority has undertaken the comparison as per its well established practice of comparing the NIP with the respective Landed values of the subject goods in question.
 - As regards the contention that Non-injurious price arguments of the domestic industry have been ignored; the Authority reiterates that it has computed the NIP strictly in terms of the AD Rules on the subject.
 - The Authority notes that all relevant factors for likelihood of injury have been considered as would be evident from the relevant sections of these findings.
 - The Authority further does not concur with the view that the difference between non injurious price and net sales realization is immaterial in a mid-term review investigation.

D. Submissions made by the domestic industry

7. The following submissions, in brief, have been made on behalf of the domestic industry:
 - In a mid-term review, current performance alone is insufficient to conclude whether the anti dumping duty can be withdrawn at this stage. The Authority is required to consider the likely situation when anti dumping duty is withdrawn. An interested party needs to establish that the circumstances on the basis of which the duty has been imposed have changed so materially that the duty is required to be revoked at premature stage or quantum of duty needs to be modified. The exporter has only claimed that the dumping margin and injury margin have changed so significantly that a review is called for, however they have not claimed that dumping and consequent injury is unlikely in the event of revocation of anti dumping duties hence, there is no justification of the present initiation of the investigation.
 - Mid-term review investigation is restricted to the changed circumstances that have been alleged by the applicant in the application as has also been held by the Supreme Court in the matter of Rishirop Polymers Pvt. Ltd. vs. Designated Authority & Addl. Secretary. The onus of establishing that there is a need for modification or withdrawal of antidumping duty in force lies on the petitioner and not on the domestic industry which is also established by the Guidelines for Preparing an Application for Review of Anti-Dumping Duties, wherein it is stated that the onus is upon the applicant to demonstrate that a Mid-Term review is required to review the need for continued imposition of duty. “No dumping” by the exporter in question is not sufficient for withdrawal of the duty. The exporter must show that circumstances on the basis of which measures were established have materially changed and that these changes are of a lasting nature as has also been held by the WTO in US Dumps Case
 - In a mid-term review investigation the exporter is required to establish that there is no dumping and there is no likelihood of dumping of the product in the event of modification or withdrawn of anti dumping duties. It is not even the claim of the exporter that it is unlikely that the dumping would continue or recur if the duties were modified or withdrawn. Nor there is any positive evidence provided in this regard. The imports from Taiwan have increased over the period of times. The export prices are lower than the NIP leading to price underselling. These factors show that revocation of duty will aggravate the injury caused to the domestic industry.
 - The non injurious price is required to be determined considering gross fixed assets at current market values. The original plant of the domestic industry is already fully depreciated and it should not be expected that the domestic industry should “earn no profits” merely because the investments are fully depreciated in the books. The non injurious price should include the Indian freight from factory to extended warehouse within the country, end period quantity discounts and cash discounts.

- Information regarding installed capacity, production and sales has been claimed as confidential, indexed version of the comparison of normal value, export price and dumping margin is not disclosed, no evidence is enclosed for supporting the prices claimed for raw material propylene.
- Determination of dumping margin and injury margin thereof should be done on monthly based analysis, as the price of the raw material changes substantially on monthly basis making it difficult to show the actual fluctuations in the dumping margin.
- There is no legal requirement that the companies who had participated earlier should participate now.
- There is no mandatory requirement for providing injury data in a mid-term review. Further, assuming though not admitting that domestic industry has not suffered injury during the current period, the same is grossly insufficient in withdrawing the current Anti-dumping duties. The applicant/exporter must establish that dumping and consequent injury is unlikely in the event of premature withdrawal of Anti-dumping duties.
- Claim of increase in prices of raw materials being far less than the increase in exports and domestic price is wrong as net sales realization of one year cannot be compared with list price of different period. Only net sales realization is relevant for the purpose of anti-dumping investigations as the list prices are only indicative of the maximum price at which the party is willing to supply the material.
- Demand-supply gap is wholly immaterial for the present purpose. The export volumes have gone up only because the foreign producers have absorbed the anti-dumping duties wherever imposed and not because of the demand supply gap.
- Mere change in methodology for determination of normal value cannot establish “no likelihood of dumping and consequent injury”.
- Exports of Taiwan to third countries were at materially dumped prices. The injury margin in respect of imports from Taiwan as also third country is positive. The export price after the investigation period is lower than export price in the investigation period.
- Reliance on the Final Findings of the Designated Authority in the matter of HF Acid is highly misplaced for the reasons that the Authority found in that case that there was contradictory evidence with regard to likelihood of injury.
- In a situation where the majority assets are at their nominal book value, 22% return on net fixed assets implies no profit to the domestic industry. Therefore, higher rate of return must be provided. The present methodology shall not provide any return to the domestic industry, if the capital employed is defined as net fixed asset plus working capital and reasonable return is kept at 22%. In 1986, the net fixed asset of the domestic industry was significantly higher than the net fixed asset at present and even if that level of profit is allowed, as per the claim of the exporter, the profit entitlement of the domestic industry shall be far higher. The law only prohibits consideration of gross fixed assets and revaluation of assets.

Rules do not provide that such net fixed asset should be considered at their book value and not at their market value. Further, the law does not provide anything with regard the level of reasonable profit that the domestic industry should earn. As the age of the plant increases, the rate of return that the domestic industry should be provided should also increase. The definition of capital employed in accounting parlance is of no consequences, particularly when the same supersedes or overwrites the very objective of the law. If capital employed is determined considering net fixed asset it will imply that the domestic industry should earn no profits only because its plants are old.

Submissions made by the Co-operative exporters

8. The following submissions, in brief, have been made on behalf of the Co-operative exporters:
 - Increase in prices of raw materials to manufacture Acetone is far less than the increase in prices of Acetone in India and globally during the period of investigation of the Mid-term Review investigation.
 - Globally prices of Acetone have increased. With overall increase in prices of Acetone the Domestic Industry is making bumper profits.
 - Trends of increase in prices of Acetone in India are showing upward trends even after the period of investigation of the Mid-term Review investigation.
 - Exports from Taiwan are entering Indian at un-dumped prices.
 - Exports from Taiwan are showing upward trends after the period of investigation of the Mid-term Review investigation.
 - Existing Anti Dumping Duty on Acetone from Taiwan is not warranted and should be removed immediately. There is no likelihood that injury will recur or continue if the Anti Dumping Duty is modified or removed.
 - Both TPCC and FCFC are operating at 100% capacity utilization and in absence of surplus capacity available there is no likelihood that the subject goods will be dumped if the existing Anti Dumping Duty on Acetone from Taiwan is removed.
 - Acetone exported from Taiwan is neither undercutting nor underselling the prices and Non-injurious Price of the Domestic Industry. In an event there is no price undercutting and underselling there is no justification for continued imposition of the Anti Dumping Duty.
 - Providing 22% ROCE on Capital Employed is totally illogical and should be reviewed.

Examination by the Authority

9. The Authority has examined the issues raised by the interested parties as follows:
 - It has been contended on behalf of the domestic industry that in a mid-term review, current performance alone is insufficient to conclude whether the anti-

dumping duty can be withdrawn at this stage and that the Authority is required to consider the likely situation when anti dumping duty is withdrawn; the Authority notes that Rule 23 of the AD Rules obligates the Authority to review the need for the continued imposition of any anti-dumping duty, *inter alia*, upon request by any interested party who submits positive information substantiating the need for such review and a reasonable period of time has elapsed since the imposition of the definitive anti-dumping duty and upon such review, the Authority shall recommend to the Central Government for its withdrawal, where it comes to the conclusion that the injury to the domestic industry is not likely to continue or recur if the said anti-dumping duty is removed or varied and is therefore no longer warranted. In this case, a duly substantiated application was received from a Chinese Taipei exporter/producer.

- As regards the initiation of this Mid-term review investigation, the Authority notes that the applicant exporter/producer from Chinese Taipei had *prima facie* established a case that circumstances have materially changed over time whereby the desirability of the anti-dumping duty imposed on the subject goods needs to be relooked into. It is true that the imports from Chinese Taipei have increased over the period of times but it is also true that these imports are significantly at a price that does not and also not likely to cause any material injury to the domestic industry. The landed values are significantly higher than the NIP determined resulting into a negative price underselling. A similar trend is seen in the quarterly periods immediately following the POI. It is further noted that the domestic industry has been consistently realising a higher net sales realisation *vis a vis* the non-injurious price, despite the increase in imports from the subject country. Neither the adverse price impact nor any adverse volume impact on account of the imports of the subject goods on domestic industry has been observed.
- As regards the determination of non-injurious price is concerned; the Authority notes that it has determined the NIP as per the relevant AD Rules on the subject.
- As regards the contention that the determination of dumping margin and injury margin should be done on month-based analysis, as the price of the raw material changed significantly; the Authority notes that concurring with the submission, it has undertaken the dumping margin and injury margin analysis on month-wise basis only.
- As regards the issues relating to confidentiality; the Authority notes that 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 on confidential basis.

- As regards the contention that there is no mandatory requirement for providing injury data in a mid-term review on the part of the domestic industry; the Authority strongly disagrees with such a view. Each interested party in an Anti-dumping investigation is obligated to submit its information/data to enable the Authority to arrive at an objective finding. Non-furnishing of the information/data would only lead to situation wherein the Authority would be constrained to proceed further on the basis of facts available. Conceding that in case the domestic industry has not suffered injury during the current period, then too it must come forward by furnishing requisite information/data and substantiate its case that withdrawing the current Anti-dumping duties is likely to lead to recurrence of injury to it.
- As regards the claims and the counter-claims in respect of increase in prices of raw materials *vis a vis* net sales realization etc; the Authority notes that it has analysed the same taking due cognizance of the information/data provided by the interested parties on the subject in terms of the AD Rules.
- As regards the claim that the export volumes have gone up only because the foreign producers have absorbed the anti-dumping duties wherever imposed and not because of the demand supply gap; the Authority notes the claim has not been substantiated.
- As regards the contention that exports of the subject goods from Chinese Taipei to third countries were at materially dumped prices and the consequent injury margin is positive; the Authority notes that it has examined the same and found that the contention is not based on facts; as would be evident from the relevant sections of these finding. Even the export price after the POI has been examined to evaluate the recurrence of injury claims of the domestic industry; but the analysis of same reveals that imports of the subject goods from the subject country is not likely to lead to recurrence of injury to the domestic industry as per facts available on record.
- As regards the exporters' claim that increase in prices of raw materials to manufacture Acetone is far less than the increase in prices of Acetone in India and globally during the period of investigation of the Mid-term Review investigation and that with overall increase in prices of Acetone the Domestic Industry is making bumper profits etc and that existing Anti-dumping duty on the subject goods from Chinese Taipei is not warranted; the Authority notes that having initiated this investigation these claims have been examined and evaluated as would be evident from relevant sections of this Discourse statement.
- As regards the exporters' contention that providing 22% ROCE on Capital Employed is totally illogical and should be reviewed; the Authority notes that it has determined the NIP as per the relevant AD Rules on the subject.

E. PRODUCT UNDER CONSIDERATION and DOMESTIC 'LIKE ARTICLE'

10. The Product under Consideration in the original investigation was 'Acetone'. The Product under Consideration remains the same for the purposes of this review. As per the original investigation carried out by the Authority, the product has been defined as under:

"The product under consideration is 'Acetone'. Acetone is organic chemical also known as Dimethyl Ketone and used in the manufacture of bulk pharmaceuticals, agro chemicals, dye stuffs, certain explosives and downstream chemicals. Acetone is classified under Chapter 29 of Custom Tariff Act under the sub-heading 29141100."

"It is a basic organic chemical produced in single grade. It is a colourless liquid with an agreeable ether-like odour. It is used in numerous organic synthesis either as solvent or as an intermediate. It is used in manufacture of bulk pharmaceuticals, agro-chemicals, dyestuffs, certain explosives and downstream chemicals. Acetone is specifically used in manufacture of Isophorone, Diacetone, Alcohol, Methyl Methacrylate and Bishphenol A. Besides this, it is used in manufacture of certain rubber chemicals or Oxy Acethylene Cellulose Acetate."

11. This product is classified under Customs Tariff heading no. 2914.11 of ITCHS. However, the said Customs classification is indicative only and in no way binding on the scope of the present investigation.

F. Scope of the Domestic Industry

12. At the time of the initiation of this investigation, Rule 2(b) of the AD Rules read as follows:-

"“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 which case such producers may be deemed not to form part of domestic industry".

13. However, post initiation, this Rule has been amended twice, to presently read, as follows:

"“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".

14. The Application for review of anti-dumping duty has been filed by M/s Formosa Chemical & Fibre Corporation, Chinese Taipei, an exporter /producer of the subject goods in Chinese Taipei. The company has submitted the requisite

information/data substantiating its submissions as regards initiation of this investigation. In response to the initiation notification, M/s HOCL, a major domestic producer of the subject goods has filed its response, claiming to be leading producer of Acetone in India and sought to oppose the claims made by the Applicant. As per the response to the investigation it has been claimed that there is only one more producer of Acetone in the country, namely SI group of India Ltd. however, M/s HOCL represents a major portion of the Indian production.

15. As per information available on record, M/s HOCL is a major producer of subject product in India, which is more than 50% share in Indian production; Thus M/s HOCL constitutes the 'domestic industry' for the purpose of the present investigation within the meaning of the AD Rules.

G. Normal Value, Export price and Dumping Margin

Methodology adopted

16. In this investigation, two exporters/producers from Chinese Taipei namely M/s Formosa Chemicals & Fibre Corporation (FCFC) and M/s Taiwan Prosperity Chemical Corporation (TPCC) have filed their questionnaire' response. A perusal of the information/data shows significant domestic sales transactions during the period of investigation by the two companies; hence, the normal values for two Chinese Taipei exporters/producers has been determined by taking into account the domestic sales transactions by both the companies in terms of the rules and regulations on the subject. The information/data filed by the companies was undertaken during the on-the site verification. The data so verified have been relied upon for calculation of the normal values.
17. It has been noted that there have been significant variations in the prices of the subject goods on a month-to-month basis; hence the dumping margin analysis has been undertaken on month-wise basis. Besides, it has been noted that M/s TPCC has sold the subject goods on bulk basis as well as in packed form. Hence, the dumping margin for the said exporter has been computed taking cognizance of this distinction as well. It is further noted that there have been certain domestic sales between affiliates. These transaction between affiliates have been compared *vis a vis* the transactions between non-affiliates. In case of M/s TPCC, no significant difference has been observed between the sales made to affiliates and those made to the non-affiliates. In case of M/s FCFC, a difference in the sales between the affiliates and the non-affiliates has been observed. M/s FCFC, during the verification has stated that sales to affiliated parties has been made on terms and conditions as compared to sales made to non-affiliated parties. The sales to affiliated parties constitute major proportion of the total sales and that the difference in prices between affiliated and non-affiliated sales was due to difference in quantity of sales. The adjustments as claimed by the exporters and verified during the on-the spot verification visit have been accepted and adjusted to arrive at the weighted average normal value for the respective co-operating exporter/producer.

M/s Formosa Chemicals & Fibre Corporation

18. The perusal of the Company's response shows that it has sold *** MT of the subject goods in the domestic market through pipelines as well by containers. Certain changes in the adjustments claimed were made during the on-the-spot verification. The company has claimed adjustments on account of Inland Freight, Transportation Fee, Credit Cost, Warehousing Expenses and Technical services. The claims of adjustments as verified during the on-the-spot verification have been accepted. The ex-factory Normal values have been thus calculated on month-wise basis.

M/s Taiwan Prosperity Chemicals Corporation

19. The perusal of the Company's response shows that it has sold *** MT of the subject goods in the domestic market through pipelines as well as in packed form. The company has claimed adjustments on account of Packing, Loading Charges, Inland Freight, Credit Cost and Bank Charges. M/s TPCC has domestically sold the subject goods in two forms namely bulk and packed. In case of sales in packed form (drums) packing cost is incurred. The same has been reflected as adjustment by the Company. However, stated above, the Normal values have been determined separately for bulk sales and those made in packed form. The claims of adjustments as verified during the on-the-spot verification have been accepted. The ex-factory Normal values have been thus calculated for bulk material & packed form on month-wise basis.

Normal value for non-cooperating exporters

20. To determine the normal value for the non-cooperating exporters, the higher normal values determined for the co-operating exporters on month-wise basis has been adopted. The adjustments allowed to the co-operating exporters have been adjusted to arrive at the ex-factory normal values thereof.

Export price

M/s Formosa Chemicals & Fibre Corporation

21. The perusal of the Company's response shows that it has exported *** MT of Acetone to India during the period of investigation in 9 transactions. However, out of these 9 transactions, 8 were direct sales to India; and one transaction was made through a trader outside India. The said trader has not filed its response in the instant matter and thus has not co-operated in this investigation, therefore Authority has not considered this transaction. It is seen that the exporter has made only bulk sales to India; therefore, the export price for bulk has been determined. It is noted that all sales of the subject goods to India were made on FOB basis and that the expenses with regard to exports up to FOB to India have been incurred by the producer. The company has claimed adjustments on account of Commission, customs clearance fee, Bank Discount Interest, Bank charges, Harbour Facility Charge, Harbour Management Fee, Trade Promotion Service Fee, Harbour Handling Fee, Loading Survey Fee and Warehousing Charges. These Claims of

adjustments as verified during the on-the-spot verification have been accepted. The ex-factory export prices have thereafter been calculated on month-wise basis.

M/s Taiwan Prosperity Chemicals Corporation

22. The perusal of the Company’s response shows that it has exported *** MT of Acetone to India during the period of investigation in 31 transactions. However, out of these transactions, 30 were direct sales to India; and one transaction was made through a trader outside India. The said trader has not filed its response in the instant matter and thus has not co-operated in this investigation therefore Authority has not considered this transaction. It was seen that of the total 31 invoices, 15 transactions were on CIF basis and 16 transactions were reported on FOB basis. In case of sales to India on FOB basis expenses with regard to exports up to FOB to India have been incurred by the producer and rest all expense are borne by the importer. In case of exports on CIF basis all expenses are incurred by the exporter. The company has claimed adjustments on account of Commission, International Freight, Ocean Insurance, Inland Freight, Packing Cost, Storage & loading, Loading Charges, Harbour Service Fee, Trade Promotion Service Fee, Brokerage & Handling Charges, Terminal Handling Charges, Other Shipment Charges, Credit Expenses Bank charges. Certain changes were made in the adjustments claimed during the on-the-spot verification. It was also noted that the company has made sales of both bulk and packed product to India. Thus, the transactions of exports were segregated to determine the export prices for bulk and packed material. The adjustments claimed by the exporter as verified have been accepted. Thus, the ex-factory export prices for bulk material and for packed material have been separately calculated on month-wise basis.

Export price for non-cooperating exporters

23. To determine the export price for the non-cooperating exporters, representative least export transactions have been relied upon. The adjustments allowed to the co-operating exporters have been adjusted to arrive at the ex-factory export price thereof.

Dumping Margin

24. On the basis of normal values and export prices as determined above, the dumping margins for cooperating and non-cooperating exporters are determined as per table below:-

Exporter/Producer	Normal Value-Bulk (NTD/MT)	Normal Value-Packed (NTD/MT)	Export Price-Bulk (NTD/MT)	Export Price-Packed (NTD/MT)	Dumping Margin - Bulk (NTD/MT)	Dumping Margin - Packed (NTD/MT)	Dumping Margin – Weighted Average (NTD/MT)	Dumping Margin as a % of Net Export Price

Chinese Taipei								
M/s Formosa Chemicals	***	***	***	***	***	***	***	(0-5) %
M/s Taiwan Prosperity	***	***	***	***	***	***	***	(0-5) %
Non-cooperating exporters	***	***	***	***	***	***	***	1-6 %

H. INJURY AND CAUSAL LINK

25. The Authority has taken note of submissions made by the interested parties. Annexure II of the AD Rules provides for objective examination of both (a) the volume of dumped imports and the effect of the dumped imports on prices in domestic market for the like articles; and (b) the consequent impact on domestic producers of such products. While examining the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in dumped imports either in absolute term or relative to production or consumption in India. With regard to price effect of dumped imports, the Authority is required to examine whether there has been significant price undercutting by the dumped imports as compared to price of the like article in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree, or prevent price increase which would have otherwise occurred to a significant degree.
26. As regards the impact of dumped imports on the domestic industry, Para (iv) of Annexure-II of AD Rules states as follows: “The examination of the impact of the dumped imports on the domestic industry concerned, shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including natural 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.”
27. The Authority has examined the injury parameters objectively taking into account the facts and arguments of the interested parties. For analyzing the injury parameters, all relevant documents including the audited balance sheet of M/s HOCL, representing the Domestic Industry have been examined and verified by the Authority. The issues relating to the interest of the Indian industry and other issues have been dealt by the Authority under appropriate headings.
28. During the present investigation, the interested parties have argued that there is significant change in the prices of raw materials and consequently the sale realization, profitability of the domestic industry on month to month basis. It has also been argued that the landed values of subject goods have varied on a month to month basis during the POI. Therefore, the interested parties have desired for a month to month analysis of the cost of production, NIP, NSR and the landed values of the subject goods during the POI. Thus, all the interested parties were requested to make available the relevant data on a month to month basis. The Authority has accordingly worked out, the NIP, NSR and the profitability of domestic industry on a month to month basis during the POI. The Authority further notes that the NSR of the domestic industry was consistently higher than the NIP of the domestic industry. Therefore, the domestic industry has earned fairly high profits during the POI.

Demand, Imports & Market Share of the Domestic Industry

Demand, Output and Market shares

Demand, Output & Market Share	Unit	2007-08	2008-09	2009-10	POI
Domestic Industry sales	MT	26,615	26,007	22,658	26,351
Other domestic producer	MT	12234	14252	20860	12000
Taiwan	MT	12,567	9,549	13,384	21,126
Other countries attracting anti-dumping duties	MT	51,298	54,525	72,934	75,277
Other countries	MT	7,578	2,972	7,535	6,799
		1,10,292	1,07,305	1,37,371	1,41,553
Market share in demand					
Domestic Industry	%	24.13%	24.24%	16.49%	18.62%
Other domestic producer	%	11.09%	13.28%	15.19%	8.48%
Subject Countries	%	11.39%	8.90%	9.74%	14.92%
Other countries attracting antidumping duties	%	46.51%	50.81%	53.09%	53.18%
Other Countries	%	6.87%	2.77%	5.49%	4.80%

29. The Authority has relied upon the IBIS data for computation of the volume of imports as it reflected higher figures *vis a vis* the DGCI&S data. From the above, the Authority notes that:

- a. Demand of the subject goods has been determined by addition of domestic sales and the imports from all countries. The Authority notes that demand for the subject goods decreased in year 2008-09, but thereafter increasing trend is observed.
- b. The market share of imports from the subject country reduced in 2008-09 but thereafter increasing trend is observed, and it significantly increased in the POI as compared to the previous year.
- c. Market share of other countries attracting anti-dumping duty showed increasing trend.
- d. Share of the domestic industry was constant during the year 2007-08 and 2008-09, with the increase in demand, share of domestic industry decreased during 2009-10 and the POI.

Price Effect of the Dumped imports on the Domestic Industry

30. With regard to the effect of dumped imports on prices as referred to in sub-rule (2) of rule 18, the Authority shall consider whether there has been a significant price undercutting by the dumped imports as compared to the price of like article in India or whether effect of such imports is otherwise to depress prices to a significant degree or prevent price increase, which otherwise would have occurred to a significant degree.

31. The impact on the prices of the domestic industry on account of the dumped imports from the subject country has been examined with reference to the price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis the cost of production, Net Sales Realization (NSR) and the Non-injurious Price (NIP) of the Domestic industry have been compared with the landed cost of imports from the subject country.

Price suppression and depression effects of the dumped imports:

32. The price suppression and price depression effect of the dumped imports has also been examined with reference to the cost of production, net sales realization and the landed values of the subject goods from the subject country.

	Unit	2007-08	2008-09	2009-10	POI
Cost of sales	Rs./Mt	***	***	***	***
Trend	Indexed	100	111	107	107
Increase(decrease over previous year)			11.16%	(3.30%)	(0.83%)
Selling Price (NSR)	Rs./Mt	***	***	***	***
Trend	Indexed	100	105	101	107
Increase(decrease over previous year)			4.54%	(3.39)%	5.55%

33. After examination, the Authority notes that while in the year 2008-09, the domestic industry was not able to increase its selling price in line with increase in the cost of sales, but in the POI, the selling price has increased despite marginal decrease in the cost of production, that is, no price suppression or price depression is observed during the POI.

Price undercutting and Price underselling effects

Price Undercutting

34. While working out the net sales realization of the domestic industry, the rebates, discounts and commissions offered by the domestic industry and the central excise duty paid have been deducted. The landed value of imports has been calculated by adding 1% landing charge and applicable basic customs duty and education cess to the export / CIF prices from the subject countries, as reported by each responding exporter. For others category, landed price has been computed by adding applicable basic customs duty and education cess to the Assessable value as per IBIS data.

For subject country as a whole during the injury period.

	Unit	2007-08	2008-09	2009-10	POI
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Landed Price	Rs/Mt	***	***	***	***
Net Sales Realisation	Rs/Mt	***	***	***	***
Price Undercutting	Rs/Mt	***	***	***	***
Price Undercutting as a % of NSR	%	5-10%	10-15%	5-10%	5-10%

35. It is seen that the landed price of imports of the subject goods are significantly below the selling prices of the domestic industry, resulting price undercutting. However, the landed values have been further analysed vis a vis the NIP determined.

Price Underselling

36. For the purpose of price underselling the landed prices of the imports from subject country have been compared with the Non-injurious price of the domestic industry determined for the POI. It shows that underselling was negative during the POI.

	Unit	POI
Landed Price	Rs/Mt	***
Non Injurious Price	Rs/Mt	***
Price Undercutting	Rs/Mt	***
Price Undercutting as a % of NSR	%	(5-10) %

Examination of other Economic Parameters of Domestic Industry

Capacity, Production and Capacity Utilization of the Domestic Industry

	Unit	2007-08	2008-09	2009-10	POI
Installed Capacity	MT	24,640	24,640	24,640	24,640
Production	MT	26,137	26,544	23,084	26,973
Capacity Utilization	%	106%	108%	94%	109%

37. Data of the domestic industry on capacity, production and capacity utilization reveals that the capacity of the domestic industry remained unchanged at 24640 MT during the injury period. The production of subject goods that were increasing until 2008-09 declined during 2009-10, thereafter increase was observed. Thus, the domestic industry was able to utilize its capacity beyond full level except in the year 2009-10.

Sales volume of Domestic Industry

	Unit	2007-08	2008-09	2009-10	POI
Sales	MT	26,615	26,007	22,658	26,351
Trend	Indexed	100	98	85	99

38. The above data on the sales of domestic industry shows that the sales have similar trend as production. Sales were reduced only during the year 2009-10.

Inventories

	Unit	2007-08	2008-09	2009-10	POI
Opening Stock	Mt	655	176	713	471
Closing Stock	Mt	176	713	1,140	1,093
Average Stock	Mt	416	445	927	782
Average Stock in terms /of No. of Days' sales	Nos.	4.68	5.13	12.27	8.90

39. The average inventory level has increased during the POI as compared to the base year.

40. After having examined the effect of dumped imports on the volumes and prices of the domestic industry and major injury indicators like volume and value of imports, capacity, output, capacity utilization and sales of the domestic industry as well as demand pattern with market shares of various segments in the earlier section, other economic parameters which could indicate existence of injury to the domestic industry have been analyzed hereunder as follows:

Profits and actual and potential effects on the cash flow

	Unit	2007-08	2008-09	2009-10	POI
Cost of sales	Rs./Mt	***	***	***	***
Trend	Indexed	100	111	107	108
Selling Price (NSR)	Rs./Mt	***	***	***	***
Trend	Indexed	100	105	101	107
Profit/Loss	Rs./Mt	***	***	***	***
Trend	Indexed	100	59	56	107
Profit/Loss before Tax	Rs.Lacs	***	***	***	***
Trend	Indexed	100	57	47	105

PBIT	Rs.Lacs	***	***	***	***
Trend	Indexed	100	62	54	105
Cash Profit	Rs.Lacs	***	***	***	***
Trend	Indexed	100	59	49	103

41. The Authority notes that there has been improvement in the profitability of domestic industry in the POI as compared to the base year as well as when compared to the previous period.

Return on investment and ability to raise capital

	Unit	2007-08	2008-09	2009-10	POI
PBIT	Rs.Lacs	***	***	***	***
Trend	Indexed	100.00	62.88	54.24	104.74
Net Fixed Assets	Rs.Lacs	***	***	***	***
Trend	Indexed	100.00	106.57	102.47	102.47
Working Capital	Rs.Lacs	***	***	***	***
Trend	Indexed	100.00	118.36	100.50	92.00
Capital Employed	Rs.Lacs	***	***	***	***
Trend	Indexed	100.00	114.61	101.13	95.33
Return on Capital Employed	%	57%	31%	30%	62%
Trend	Indexed	100.00	54.86	53.63	109.87

42. The Authority notes that the return on capital employed earned by the domestic industry has also improved as the profitability.

Employment and wages

	Unit	2007-08	2008-09	2009-10	POI
Employment (Manpower strength)	Nos.	350	330	330	381
Trend	Indexed	100.00	94.29	94.29	108.86
Wages	Rs.Lacs	591.38	454.91	454.91	514.47
Trend	Indexed	100.00	76.92	76.92	86.99

43. The manpower strength increased during the POI as compared to the base year.

Productivity

	Unit	2007-08	2008-09	2009-10	POI
Productivity per employee	MT	74.68	80.44	69.95	70.79
Trend		100.00	107.71	93.67	94.80

44. The productivity per employee decreased during the POI, since the manpower strength has increased, but no increase in capacity is observed.

Growth

45. Capacity utilization is optimum during the injury period. Profitability has improved significantly. No price depression was observed.

Investment

46. The Authority notes that the domestic industry had not changed the capacity of the subject goods from the base year to POI. There has been no fresh investment by the domestic industry during the period of investigation. No evidence of any plans for further investment has come to the notice of the Authority.

Magnitude of dumping

47. As discussed in the relevant section, the dumping margins *vis a vis* the co-operative exporters is seen to be negative. However, the dumping margin *vis a vis* the non-co-operative exporters is positive; but dumping of the subject goods is not actionable *per se* unless it causes injury to the domestic industry; and it has been further observed that the injury margins for both the co-operative exporters as well as the non-co-operative exporters are negative.

48. Price Injury during the POI in respect of Co-operative producer and exporter during the POI may be seen as follows:

Producer	Exporter	NIP of DI (Rs./MT)	Landed Value (Rs./MT)	Injury Margin (Rs./MT)	Injury Margin as a (%) of NIP
M/s. Taiwan Prosperity Chemical Ltd.	M/s. Taiwan Prosperity Chemical Ltd.	***	***	***	(0-5)%
M/s. Formosa Chemical Ltd.	M/s. Formosa Chemical Ltd.	***	***	***	(15-20)%
All other exporters from Chinese Taipei	All other exporters from Chinese Taipei	***	***	***	(5-10)%

CAUSAL LINK

49. Submissions made by the interested parties in respect of the issue of causal link have been examined. A detailed examination was made with regard to the issues pertaining to the injury to the domestic industry and causal link between the material injury to the domestic industry and dumped imports. Paragraph (v) of Annexure II of the Anti-dumping Rules reads as under:

“It must be demonstrated that the dumped imports are, through the effects of dumping, as set forth in paragraphs (ii) and (iv) above, causing injury to the domestic industry. The demonstration of a causal relationship between the dumped imports and the injury to the domestic industry shall be based on an examination of relevant evidence before the designated authority. The designated authority shall also examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, and the injury caused by these other factors must 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 dumping 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.”

Contraction in demand

50. The Authority notes that the demand for the subject goods has increased during the injury period. Thus, possible contraction in demand could not have caused injury to the domestic industry.

Changes in the pattern of consumption

51. Neither the pattern of consumption with regard to the product under consideration has undergone any change, nor has there been any substantiated submission made by any interested party in this regard. The investigation so far has not shown existence of alternate competing products and possible injury being caused by such alternate products.

Trade Restrictive practices of and competition between foreign and domestic producers

52. The Authority notes that there is a single market for the subject goods where dumped imports from Chinese Taipei compete directly with the subject goods supplied by the domestic industry. It is noted that the imported subject goods and domestically produced goods are like articles and are used for similar applications/end uses. There is no evidence of trade restrictive practices of and competition between the foreign producers and domestic producers causing injury to the domestic industry.

Developments in Technology

53. There is no allegation of developments in technology, nor has the investigation so far shown that possible injury to the domestic industry could have been caused by developments in technology.

Export performance

54. The Domestic Industry has not exported the subject goods during the POI. In any

case, the Authority has considered only the domestic operations and domestic profitability in its analysis.

Productivity of the Domestic Industry

55. There is no material change in productivity of the domestic industry. Productivity of the domestic industry in terms of labour output and daily output has shown a growth during the POI as compared to the base year. It is also noted that productivity has shown a growth during the entire injury period along with growth in production and sales.
56. The Authority has determined non-injurious price for the domestic industry taking into consideration cost of production of the domestic industry. This non-injurious price of the domestic industry has been compared with the landed values of the subject imports to determine injury margin. The injury margin has been determined in line with the determination of dumping margins as mentioned in the appropriate heading. The injury margins so worked are seen to be negative.

Likelihood of recurrence of injury in the event of its revocation

Submissions made by the Domestic Industry

57. The Domestic Industry, in brief, has submitted as under:
- a. The entire market situation is extremely temporary. The interested parties have placed no material to show that the changes in the investigation period were of lasting nature.
 - b. The mere argument that there is no current dumping and no current injury is not enough.

Submissions made by the Applicant Exporter and other interested parties

58. The exporters, in brief, have submitted as follows:
- c. Prices of Acetone have increased in India as well as globally. Prices of Acetone from Taiwan to India as well as other countries are rising constantly for more than two years (October 2009 to October 2011). Prices rise in respect of Acetone is not only constant and firm but also stable for more than two years.
 - d. During the post POI of the MTR the domestic industry has been raising prices of Acetone beyond increase in cost. Domestic industry is making bumper profits and is able to realise more than 100% ROCE at current prices. Domestic industry has increased its price of bulk Acetone; this clearly shows that the increase in price is stable, firm, consistent, permanent and lasting in nature.
 - e. There is no likelihood of any injury to the Domestic Industry if the anti-dumping duty in respect of imports from Acetone from Taiwan is withdrawn.

Examination by the Authority

59. The Authority has examined the submissions made by the interested parties. The Authority had called for additional information from the co-operating exporters for the period of investigation, as well as subsequent period immediately following the period of investigation with respect to exports of the subject goods from Chinese Taipei to India and its exports to third countries for examining the issues raised by the Domestic Industry in respect of likelihood of injury as mandated under Rule 23. In this regard, the Authority notes as under:

- f. Volume of Exports Post- POI: In order to examine, the likelihood of injury to the domestic industry due to dumping of the subject goods from the subject country, the Authority has undertaken a monthly analysis of the volume of exports of the subject goods to India and other countries from the subject country during the post-POI period as well. The Authority notes that the volume of the exports from Chinese Taipei to India and other countries during the period October 2010 to September 2011 was MT 24512 & 2,31647 MT respectively. The quantum of exports from the subject country during the POI was 21126 MT. From a perusal of the data, there doesn't appear to be any significant surge in the volume of exports from the subject country in the post-POI period, so as to cause injury to the domestic industry. It is also noted that the domestic industry has been able to utilize its installed capacity; hence, there does not appear to be case of likelihood of injury on this account.
- g. Profitability of Domestic Industry: In order to examine the likelihood of injury to the domestic industry due to the dumped imports; the Authority has also undertaken quarter-wise analysis of the cost of production in the post investigation period. The sales realization and the profitability of the domestic industry in the Post POI Period have been examined. The analysis reveals that the domestic industry has consistently made significant profits on the sales of the subject goods. More importantly, the Net sales realization of the domestic industry was noted to be significantly higher than the NIP determined for the domestic industry for the corresponding quarters. Thus, no evidence of price underselling has been noted during the post-POI period.
- h. Landed values of imports, Net Sales Realization (NSR) and NIP: In the post-POI period, the Authority has also undertaken an analysis of the landed values of the subject goods imported from the subject country *vis-à-vis* the NSR of the domestic industry. It is noted that the landed values of imports of the subject goods imported from the subject country were generally lower than the NSR for the domestic industry. However, it was further noted that the landed values of imports were at a price significantly higher than the non-injurious price for the domestic industry for the corresponding period. Therefore, the landed values in the post-POI period were unlikely to cause any injury to the domestic industry. In fact, the injury margin for the post-POI period was consistently negative.
- i. Export prices of the subject goods from the subject country to third countries: It has been argued by the domestic industry that the subject country is selling the subject goods to third countries at a price lower than the export price to India. Therefore, in the event of revocation of the anti-dumping duties, there is likelihood of the subject country diverting their exports to India resulting in

injury to the domestic industry. In this regard, the Authority has undertaken a month-wise analysis of the landed values of exports to third countries from the subject country *vis-à-vis* its exports to India. It is noted that the month wise landed value of exports from third countries as compared to the landed value of exports to India were generally higher. This further suggests that even assuming that some of the exports from the subject countries are diverted to India, consequent upon withdrawal of the duty; it is unlikely that the subject goods from the subject country would cause material injury to the domestic industry.

CONCLUSIONS

60. Having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority through the submissions of interested parties or otherwise as recorded in the above findings and on the basis of the above analysis, the Authority concludes that:
- i. The subject goods are *entering the* Indian market at prices, which are not causing material injury to the domestic industry.
 - ii. The domestic industry's performance has significantly improved and is likely to remain un-impacted by the imports of the subject goods from the subject country.
 - iii. The performance of the domestic industry is unlikely to deteriorate if the antidumping duty is withdrawn.
 - iv. In view of the above the Authority satisfied on the basis of information received by it that there is no justification for the continued imposition on the anti dumping duty.

RECOMMENDATIONS

61. Having concluded that the subject goods are not likely to enter Indian market at prices, which are causing or likely to cause material injury to the domestic industry; should the present measures be withdrawn and that the situation of domestic industry has significantly improved and is likely to remain un-impacted by the imports of the subject goods from the subject country. In view of the above the Authority is satisfied on the basis of information received by it that there is no justification for the continued imposition on the anti-dumping duty on the imports of the subject goods from the subject country and hence recommends for its withdrawal.
62. An appeal against this order shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

(Vijaylaxmi Joshi)
The Designated Authority