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F. No.15/09/2016-DGAD
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti-Dumping & Allied Duties)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi 110001

NOTIFICATION

Dated the 29th August, 2017

(Final Findings)

Subject: Sunset Review Investigation (SSR) concerning imports of Para Nitro Aniline (PNA) originating in or exported from China PR.

A. BACKGROUND OF THE CASE

1. Having regard to 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), the Designated Authority (hereinafter also referred to as the Authority) had recommended imposition of anti-dumping duty on imports of “Para Nitro Aniline” (hereinafter also referred to as the subject goods), originating in or exported from China PR (hereinafter referred to as the subject country).
2. Whereas, the original investigation concerning imports of the subject goods from the subject country was initiated by the Authority vide Notification 14/13/2010-DGAD, dated 8th June, 2010. The final finding was published by the Authority vide Notification No. 14/13/2010-DGAD dated 5th August, 2011 and definitive anti-dumping duty was imposed by the Central Government vide Notification No. 88/2011-Customs dated 9th September, 2011.
3. Whereas, in terms of the Act, the anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition.
4. And, notwithstanding the above provision, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the Domestic Industry within a reasonable period of time prior to the date of expiry of the measure as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.
5. Whereas, M/s. Abhilasha Tex-Chem Ltd. and M/s. Amarjyot Chemical Pvt. Ltd. (hereinafter referred to as Petitioners) and supported by M/s. Panoli Intermediates (India) Pvt. Ltd. and M/s. Premier Orgochem Industries Pvt. Ltd. filed petition 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) for initiation of sunset review investigation of the Anti-Dumping Duty concerning imports of Para Nitro Aniline (PNA) originating in and exported from China PR.

6. In view of the duly substantiated application with prima facie evidence of likelihood of dumping and injury filed on behalf of the Domestic Industry and in accordance with Section 9A(5) of the Act, read with Rule 23 of the Anti-dumping Rules, the Authority issued a Notification No.15/09/2016-DGAD dated 1st September, 2016, published in the Gazette of India, initiating a sunset review investigation in accordance with section 9A(5) of the Act, read with Rule 23 of the Anti-dumping Rules, to review the need for continued imposition of the duties in respect of the subject goods, originating in or exported from the subject country, and to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the Domestic Industry. The validity of the anti-dumping duty on the imports of the subject goods from the subject country was extended by the Central Government up to 8th September 2017 vide Notification No. 49/2016-Customs (ADD) dated 7th September, 2016.
7. The scope of the present review covers all aspects of the previous investigations concerning imports of the subject goods, originating in or exported from the subject country.

B. PROCEDURE

8. The procedure described herein below has been followed with regard to the subject investigation:
 - i. The Designated Authority, under the above Rules, received a written application from the Applicant on behalf of the domestic industries, for initiation of sunset review investigation of anti-dumping duty on imports of "Para Nitro Aniline from China PR".
 - ii. The Authority notified the Embassy of the subject country in India about the receipt of the anti-dumping application before proceeding to initiate the investigations in accordance with sub-rule (5) of Rule 5 supra.
 - iii. The Authority issued a public notice dated 1st September, 2016 published in the Gazette of India Extraordinary, initiating sunset review investigation of anti-dumping duty investigation concerning imports of Para Nitro Aniline originating in and exported from China PR
 - iv. The Authority provided copy of the non-confidential version of the application to the known exporters and the Embassy of the subject country in accordance with Rules 6(3) supra. A copy of the non- confidential version of the application was also made available in the form of a public file and provided to other interested parties, wherever requested.

- v. The Authority forwarded a copy of the initiation notification to the Embassy of China PR in India, known producers/exporters from China PR, known importers/users and the Domestic Industry as per the addresses made available by the applicant and requested them to make their views known in writing within 40 days from the date of the letter in accordance with the Rules 6(2) & 6(4).
- vi. The Authority sent exporter's questionnaires to elicit relevant information to the following known producers/exporters in China PR, (whose details were made available by the applicant) and gave them opportunity to make their views known in writing in accordance with the Rule 6(2) of the AD Rules:
 - a) Green Fine Chemical (Shanghai) Co Ltd
 - b) Long Island Pharmaceutical & Chemical Co Ltd
 - c) Wujiang City Yilin Foreign Trading Co Ltd (Yilin)
 - d) HebeiYongtai Create Chemicals Co Ltd (Yongtai)
 - e) Junwee Chemical Co. Ltd
 - f) Suzhou Luson Auxiliaries Co Ltd (Luosen)
 - g) Hangzhou Dingsheng Chemical Co. Ltd. (Dingsheng)
- vii. Market Economy Treatment (MET) questionnaire was also forwarded to the known producers/exporters in China PR and the Embassy of China PR in India with the request to provide relevant information to the Authority within the prescribed time limit.
- viii. However, in response to the above notification, none of the exporters have filed response to the MET questionnaire. The following producers/exporters have filed the Exporter questionnaire response:
 - a) Wujiang City Yilin Foreign Trading Co Ltd
 - b) Suzhou Luson Auxiliaries Co Ltd
 - c) HejianYingzhou Chemical Co Ltd
- ix. The Authority forwarded a copy of the Initiation Notification along with Importer's Questionnaires 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) Bodal Chemicals Limited
 - b) Alps Chemicals Ltd,
 - c) Jay Chemical Industries Limited
 - d) Gurudev Dyestuff (India) Pvt. Ltd.
 - e) Juimex/Chemex
 - f) Kiri Dyes and Chemical Ltd.
 - g) Chem Org Plast Laboratory
- x. However, no questionnaire response has been received from any importer of the subject goods.
- xi. The Authority made available non-confidential version of the evidence presented by interested parties in the form of a public file kept open for inspection by the interested parties as per Rule 6 (7).

- xii. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claims. 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 and the same were kept in the public file maintained by the Authority as per the Rules
- xiii. The Authority has examined the information furnished by the domestic producer to the extent possible on the basis of guidelines laid down in Annexure III to work out the cost of production and the non-injurious price of 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.
- xiv. Period of Investigation in the instant investigation is April 2015-March 2016. The injury investigation period covered is 2012-13, 2013-14, 2014-15 and the Period of Investigation (POI). The data beyond POI (April 2016-Sep 2016) was also examined to determine the likelihood of dumping and injury.
- xv. Further information was sought from the applicant and other interested parties to the extent deemed necessary. Verification of the data provided by the Domestic Industry was conducted to the extent considered necessary for the purpose of the investigation.
- xvi. Transaction wise data was called from the Directorate General of Commercial Intelligence and Statistics (DGCI&S). The Authority has relied on DGCI&S data and the data of co-operative exporters for calculating volume and value of imports of the subject goods in India.
- xvii. The Authority held an oral hearing on 23rd June, 2017 to provide an opportunity to the interested parties to present relevant information orally in accordance to Rule 6 (6). The interested parties who had presented their views in the oral hearing were advised to file written submissions of the views expressed orally. The interested parties were provided opportunity to offer rejoinder submissions to the views expressed by opposing interested parties. The Authority has considered submissions received from the interested parties appropriately.
- xviii. Exporters, producers and other interested parties who have neither responded to the Authority, nor supplied information relevant to this investigation have been treated as non-cooperating interested parties.
- xix. A Disclosure Statement was issued on 1.08.2017 containing essential facts under consideration of the Designated Authority, giving time up to 14.08.2017 to furnish comments, if any, on Disclosure Statement. The Authority has considered post disclosure comments received from interested parties appropriately.
- xx. *** in this Final Finding represents information furnished by an interested party on confidential basis, and so considered by the Authority under the Rules.
- xxi. The exchange rate adopted by the Authority for the subject investigation is 1 US \$ = Rs. 65.91.

C. PRODUCT UNDER CONSIDERATION

Submissions by the Domestic Industry

9. The Domestic Industry has made the following submissions:
 - i. The scope of the product under consideration under the present investigation is Para Nitro Aniline (PNA). This chemical is commonly used as an intermediate in the synthesis of dyes, antioxidants, pharmaceuticals and gasoline, in gum inhibitors, poultry medicines, and as a corrosion inhibitor.
 - ii. The product is produced through amonolysis process and involves reaction with ammonia, analogous to hydrolysis, in which a bond is broken and an NH₂ group is appended to one fragment. The key step in this reaction sequence is an electrophilic aromatic substitution to install the nitro group para to the amino group. After this reaction, a separation must be performed to remove 2-nitroaniline, which is also formed in a small amount during the reaction.
 - iii. Para Nitro Aniline (PNA) is normally produced and sold in terms of weight expressed in terms of Kgs. It is classified under Chapter 29 of the Customs Tariff Act, 1975 under sub-headings No. 29214226 besides many subheadings.
 - iv. There is no known difference in subject goods exported from subject country and that produced by the Indian industry. Both the products have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc.

Submissions by the exporters/importers/other interested parties

10. Other interested parties have made no submissions with regard to product under consideration.

Examination by Authority

11. The product under consideration in the present investigation is Para Nitro Aniline. Para nitro aniline is classified under Customs sub heading No 29214226 under chapter 29 of the Customs Tariff Act, 1975. However, customs classification is indicative in nature and not binding on the scope of the investigation.
12. The Authority had stated the following description in the final findings of the original investigation:

“The product under consideration in the present investigation is Paranitroaniline (hereinafter referred as "subject goods"). It is an organic chemical compound. Paranitroaniline is also known as 4-nitroaniline, 1-amino-4-nitrobenzene, or pnitrophenylamine. 4-Nitroaniline is a starting material for the synthesis of Para Red, the first Azo dye. This chemical is commonly used as an intermediate in the synthesis of dyes, antioxidants, pharmaceuticals and gasoline, in gum inhibitors, poultry medicines, and as a corrosion inhibitor.”
13. Since the present investigation is a sunset review investigation, the scope of the product under consideration is the same as that of original investigation.

D. LIKE ARTICLE

14. The Domestic Industry has claimed that there is no known difference in subject goods exported from subject country and that produced by the Indian industry. Both the products have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc.
15. The Authority notes from the information available on record that the product under consideration produced by the Domestic Industry is like article to the goods imported from the subject country. Product under consideration produced by the Domestic Industry and imported from the subject country are comparable in terms of physical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. It is further noted that the Designated Authority had examined the issue of product under consideration and like article in the previous investigation, which mutatis mutandis is relied upon in the present review investigation. The goods produced by the Domestic Industry and imported from the subject country are like articles in terms of the Rules. The two are technically and commercially substitutable. The consumers are using the two interchangeably and are like article within the meaning and scope of Rule 2(d) of the Anti-dumping Rules.
16. Thus, the Authority holds that product under consideration produced by the applicant Domestic Industry is a like article to the subject product under consideration imported from subject country in accordance with the AD Rules.

E. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

Submissions by the Domestic Industry

17. The Domestic Industry has made the following submissions:
 - i. The petition has been filed by M/s Abhilasha Tex-Chem. Ltd. and M/s. Amarjyot Chemical Pvt. Ltd. and has been supported by M/s. Panoli Intermediates (India) Pvt. Ltd. and M/s. Premier Orgochem Industries Pvt. Ltd.
 - ii. Petitioners command a major proportion in Indian production and accordingly constitute “Domestic Industry” within the meaning of the Rules
 - iii. Petitioner has not imported the subject goods. Petitioner is not related, either directly or indirectly, to any exporter or importer of product under consideration in the subject country. Thus the petitioner is eligible Domestic Industry under Rules 2(b) and 5(3) of the AD Rules.

Submissions by the exporters/importers/other interested parties

18. None of the exporters/importers/other interested parties has made any submissions in this regard.

Examination by the Authority

19. The petition has been filed by Abhilasha Tex Chem. Pvt. Ltd. and Amarjyot Chemical Pvt. Ltd and has been supported by M/s. Panoli Intermediates (India) Pvt. Ltd. and M/s. Premier Orgochem Industries Pvt. Ltd.
20. The Authority notes, on the basis of information on record that the production of petitioners as a percentage of total Indian production accounts for 65% as mentioned in the table below. Further, the petitioner has not imported the subject goods during the period of investigation, and, is not related to any exporter or producer of the subject goods in the subject country or any importer or user of the product under consideration in India within the meaning of Rule 2(b).

Share	UOM	2012-13	2013-14	2014-15	2015-16
Petitioner(s) as a whole	%	64%	62%	63%	65%
Supporters	%	36%	38%	37%	35%
Petitioner along with Supporters	%	100%	100%	100%	100%
Other Indian Producer	%	0%	0%	0%	0%
Total Indian Production	%	100%	100%	100%	100%

21. In view of the above and after due examination, the Authority holds that the applicants satisfy the standing requirements and constitute Domestic Industry under Rule 2(b) and Rule 5(3) of the AD Rules.

F. ISSUES RELATING TO CONFIDENTIALITY

Submissions by the Domestic Industry

22. The Domestic Industry has made the following submissions:
- i. The exporters have claimed excessive confidentiality and the following information have not been filed by the exporters under the veil of confidentiality:
 - a. Details of any financial or contractual links and joint ventures with another company concerning Research and Development, production, sales, licensing technical and patent agreements for the product concerned and Sales negotiation process
 - ii. In the response filed by Suzhou Luosen Auxiliaries co ltd, information filed under Appendix 3 seems false and misleading where the turnover and market share of the company is same in all the years including the Period of investigation.
 - iii. No information is provided on production process, raw material, domestic sales, business license and shareholding.
 - iv. Information provided in non-confidential version is beyond understanding. The NCV version does not provide clear understanding of the data and the Domestic Industry is unable to provide detail comments on that for the same reason.
 - v. The period of giving information is chosen differently by all the responding exporters. Though the responses are filed by the same law firm but the year

chosen for giving information are different in all the responses for same parameters.

- vi. Non-confidential version of the questionnaire responses is grossly inadequate. The concerned interested party has not disclosed all such information that they are obliged to disclose under the Rules and practice being followed by the Designated Authority in this regard. Even information that is publicly available has not been disclosed in the non-confidential version.

Submissions by the exporters/importers/other interested parties

23. The exporters/importers/other interested parties have made the following submissions:
 - i. The petitioner has claimed excessive confidentiality in violation of Rule 7 of the Customs and Tariffs Rules, 1995
 - ii. The petition is not properly indexed in the non-confidential version and costing information has not been provided at all. DGAD should not have initiated the present investigation on the basis of the information contained in the petition.
 - iii. Costing information, section VI of the petition, is not provided and entirely kept confidential.

Examination by the Authority

24. The Authority made available non confidential version of the information provided by various interested parties to all interested parties through the public file containing non-confidential version of evidences submitted by various interested parties for inspection as per Rule 6(7).
25. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claims in terms of the provisions contained in antidumping rules and WTO Agreement. 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.

G. MARKET ECONOMY TREATMENT, NORMAL VALUE, EXPORT PRICE AND DETERMINATION OF DUMPING MARGIN

Market Economy Treatment and Normal Value

Submissions by the Domestic Industry

26. The Domestic Industry has made the following submissions:
 - i. China is a non-market economy country. Further none of the exporters satisfy all the conditions developed from jurisprudence to qualify for grant of market economy status. Thus, the Chinese producers' cost and price cannot be relied upon for determination of normal value.
 - ii. The normal value has been constructed on the basis of cost of production in India, duly adjusted.

Submissions by the Exporters/Importers/Other Interested parties

- i. China has been granted Market Economy status after 11th Dec, 2016. They should be treated as market economy and Normal value for China should be determined as per the information given by the exporters in their response.
- ii. Conduct any normal value calculation in accordance with Article 2 of the anti-dumping agreement
- iii. Apply the data on costs and prices provided by the company in this response for determination of the normal value rather than applying analogue country data
- iv. Dumping margin is negative in the period of investigation.

Examination by the Authority

27. The factum of dumping causing injury to the Domestic Industry is established based on investigation period, the conditions prevalent during the investigation period alone is relevant, appropriate and necessary for the purpose of present investigation. The Period of Investigation (POI) for the purpose of the present review is April, 2015 to March, 2016. Since the subparagraph of Article 15 was in existence during the period of investigation, the Authority may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.
28. The Authority notes that in the past three years, China PR has been treated as non-market economy country in anti-dumping investigations by India and other WTO Members. China PR has been treated as a non-market economy country subject to rebuttal of the presumption by the exporting country or individual exporters in terms of the Rules
29. At the stage of initiation, the Authority proceeded with the presumption that China PR is a non-market economy country. Upon initiation, the Authority advised the producers/exporters in China to respond to the notice of initiation and provide information relevant to determination of their market economy status. The Authority sent copies of the MET questionnaire to all the known producers/exporters for rebutting presumption of non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules. The Authority also requested Government of China to advise the producers/exporters in China to provide the relevant information.
30. The Authority notes that the known Chinese producers/exporters and the Government of China have been adequately notified about the requirement of submission of information in the form and manner prescribed and adequate opportunity was also granted to them to make their submissions in this regard. None of the exporters/producers from China PR have responded to the market economy questionnaire.
31. In view of the above position and in the absence of rebuttal of non-market economy presumption by any Chinese exporting company, the Authority considers it appropriate to treat China PR as a non-market economy country in the present investigation and

proceeds with para-7 of Annexure-I to the Rules for determination of normal value in case of China PR.

32. As per Para 7 of Annexure I of the Anti-dumping Rules, normal value in China is required to be determined based on domestic selling prices in a market economy third country, or the constructed value in a market economy third country, or the export prices from such a third country to any other country, including India. However, if the normal value cannot be determined on the basis of the alternatives mentioned above, the Designated Authority may determine the normal value on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted to include reasonable profit margin.
33. In view of the above, the normal value for the subject products imported from China PR into India has been determined on "any other basis" by considering best available information with regard to cost of production and after reasonable additions for selling, general & administrative expenses and reasonable profit margin. The normal value has been constructed considering consumption of major raw materials conversion cost, interest, SGA, etc. at the levels allowed for the most efficient constituent of the Domestic Industry. Further 5% of cost of sales excluding interest has been added towards reasonable profit. Accordingly, the ex-works Normal Value of the product under consideration is as shown in the dumping margin table below.

EXPORT PRICE

34. The Authority sent questionnaires to the known exporters from the subject country, advising them to provide information in the form and manner prescribed. The following producers and exporters from the subject country filed the prescribed questionnaire responses. Following producers/exporters from subject country have filed exporter questionnaire response and have provided information giving details of export price.
- i. HejianYingzhou Chemical Co. Ltd., China who is a Producer & Exporter of subject goods exporting directly to India
 - ii. Suzhou Luosen Auxiliaries Co. Ltd. is a Producer of subject goods exporting through his related party Wujiang City Yilin Foreign Trading Co. Ltd.
35. During the POI, M/s HejianYingzhou Chemical Co., Ltd., China PR, has exported the subject goods directly to India. The exporter claimed adjustment on account of handling & inland transportation, overseas transportation, insurance, and bank charges. The adjustments on account of non-reimbursed amount of VAT has also been made. The CNV & net export price is determined as below.
36. During the POI, M/s Wujiang City Yilin Foreign Trading Co., Ltd., has exported the subject goods to India which have been sourced from M/s Suzhou Luosen Auxiliaries Co., Ltd., China PR. The producer and exporter have submitted all the exports details in appendix 2. The exporter has claimed adjustment on account of overseas freight, overseas insurance, handling & inland freight, export packing expenses, SGA, credit expenses and bank charges. The adjustments on account of non-reimbursed amount of VAT has also been made. The CNV & net export price is determined as below.

Export Price for all other non-cooperative producers and exporters

37. For other producers/ exporters from China who have not participated / cooperated in this investigation, the Authority determined the export price on the basis of best facts available in terms of Rule 6(8) of the Antidumping Rules. The normal value, net export price and dumping margin in respect of other producers/exporters of the subject goods determined as mentioned in dumping margin table below.

Dumping Margin

38. The dumping margin for subject goods has been determined by comparing constructed normal value and net export price at ex-factory level of the subject goods as below:

Name	CNV		NEP		DM		DM	DM
	Rs/MT	USD/MT	Rs/MT	USD/MT	Rs/MT	USD/MT	%	Range
Suzhou Luosen Auxiliaries Co. Ltd/ Wujiang City Yilin Foreign Trading Co. Ltd.	***	***	***	***	***	***	***	1-10
HejianYingzhou Chemical Co. Ltd	***	***	***	***	***	***	***	25-35
Any Other	***	***	***	***	***	***	***	30-40

39. The dumping margin so determined in respect of the producers/exporters from the subject country is positive for the Period of Investigation.

H. INJURY DETERMINATION AND EXAMINATION OF INJURY AND CAUSAL LINK

Submissions by the Domestic Industry

40. Followings are the submissions made by the Domestic Industry
- The performance of the Domestic Industry has improved in terms of various economic parameters during the period of investigation and declined for some other parameters.
 - Nature of sunset review is different than the original investigation as the focus is more on likelihood of the continuation or recurrence of dumping and injury, in case antidumping duties are removed. Presence of injury or presence of dumping is not required to be examined for the review cases where likelihood of injury is more important.
 - Post Period of investigation performance of the Domestic Industry needs to be taken into consideration to examine likelihood of injury.
 - The six months data after Period of investigation shows the actual position of the Domestic Industry where the Domestic Industry will start suffering injury in case the duty ceases to exist. The Domestic Industry has suffered injury in post POI despite anti-dumping duties being on force. During post period of investigation, the imports in low prices have increased which are entering at dumped prices, resulting in positive price undercutting and establishing causal link. When the

dumping margin was negative, price undercutting and injury margin were negative. When dumping margin became positive, price undercutting and injury margin became positive.

- v. If the consumers switch over to the imported product, the same would imply decline in demand for the Domestic Industry product and increase in demand for the subject product. Thus, cessation of duty is likely to result in displacement of Domestic Industry market by imports from China PR.

Submissions by the exporters/importers/other interested parties

41. Followings are the submissions made by the exporters post hearing. Though the submissions made by them were 1 day beyond the date fixed by the Authority, the authority has still taken into consideration the submissions made by the exporters treating as deemed extension of period for disclosure submission by one day.
- i. There is no causal link between the alleged dumped imports and injury claimed.
 - ii. The injury margin is not determined. There is no injury to the Domestic Industry. In fact all the economic parameters showing improvement in the Period of investigation.
 - iii. The petitioner has deliberately not filed any comments on points like 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 Domestic Industry.
 - iv. There is no change in installed capacity, but the production, sales and capacity utilization have increased during POI as compared to base year. The Domestic Industry also operated at the highest capacity utilization during period of investigation.
 - v. There is reduction in cost of sales during POI and selling price of PUC. The stock of Domestic Industry has decreased by 48% indicating substantial increase in the sale of goods.
 - vi. Profitability of Domestic Industry has increased by 346%. Cash profit has increased by 250% indicating good health of the industry. There is increase in the return on capital employed. There is increase in the number of employees in POI as compared to the base year.
 - vii. The Domestic Industry has wrongly stated that imports from subject country would cause severe price undercutting in absence of anti-dumping duty. During the POI and last one year, no price undercutting is being caused by dumped imports. This working does not include impact of existing anti-dumping duty. The claim of Domestic Industry that the authority shall examine injury and price undercutting on monthly basis is not correct.
 - viii. The investigation is initiated without justification of sufficient information by the petitioner. The Authority has failed to examine the claims of the petitioner regarding injury and has not examined adequacy and accuracy of information before initiating the investigation

- ix. The performance of the Domestic Industry suggests that the imports from China PR did not have any price impact on the petitioner. Also there is no likelihood of recurrence of injury as per Article 9A (5) of the Customs and Tariffs Act

Examination of the Authority

42. The Authority has taken note of various submissions of the interested parties on injury and has analysed injury to the Domestic Industry considering the facts available on record and applicable laws.
- i. The injury analysis made by the Authority hereunder ipso facto addresses the various submissions made by the interested parties.
 - ii. For the examination of the impact of imports on the Domestic Industry in India, the Authority has considered indices having a bearing on the state of the industry such as production, capacity utilization, sales quantum, stock, profitability, net sales realization, the magnitude and margin of dumping etc. in accordance with Annexure II(iv) of the Rules supra.
 - iii. In consideration of the various submissions made by the interested parties in this regard, the Authority proceeds to examine the current injury, if any, to the Domestic Industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject country.
 - iv. Period of Investigation in the instant investigation is April 2015-March 2016. The injury investigation period covered is 2012-13, 2013-14, 2014-15 and the Period of Investigation (POI). The data beyond POI i.e. April, 2016-September, 2016 (hereinafter referred to as Post POI) is also examined to determine the likelihood of dumping and injury.

(i) Assessment of Demand/ Apparent Consumption

43. For the purpose of assessment of the domestic demand /apparent consumption of the subject goods, the sales volume of the Domestic Industry and other Indian producers have been added to the total imports into India. The import data from DGCI&S was obtained and it has been found that the quantity of subject goods imported into India during POI, captured in DGCI&S is lower than the quantity of the subject goods exported by the co-operative exporters as claimed in their response. This could be on account of the fact that imports have not been fully captured from some of the ports or that the subject goods are coming under various other miscellaneous HS codes. The Authority has taken the quantity claimed to be exported to India from exporters response and the same has been summarized as follows:

Particulars	UOM	2012-13	2013-14	2014-15	POI
Sales of Domestic Industry	MT	3,707	3,140	3,682	4,044
Sales of other Indian Producers	MT	3,201	3,748	3,804	3,789
Imports –Subject Country	MT	1,705	2,564	983	1,578
Imports -Other Countries	MT	-	9	2	0
Total Demand	MT	8,613	9,460	8,472	9,411

44. It is seen from the above that the demand of the product under consideration has increased during POI as compared to previous year and also as compared to the base year, increased in 2013-14 but decreased in 2014-15.

(ii) Volume Effect of Dumped Imports and impact on Domestic Industry

Import volume and Market Share

45. With regard to volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports either in absolute terms or relative to production or consumption in India. The table below summarizes the factual position with regard to import volumes and market share:

Particulars	UOM	2012-13	2013-14	2014-15	POI
Subject country	MT	1,705	2,564	983	1,578
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>150</i>	<i>58</i>	<i>93</i>
Other Countries	MT	-	9	2	0
Total	MT	1,705	2,572	986	1,578
Total Demand	MT	8,613	9,460	8,472	9,411
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>110</i>	<i>98</i>	<i>109</i>
Imports from Subject country in relation to					
Total Imports	%	100%	99.66%	99.75%	100%
Indian demand	%	20%	27%	12%	17%

46. It is seen from the above that the imports from subject country have increased during POI in absolute terms as well as in relation to total imports and total demand in India when compared to the previous year. However, the same have decreased when compared to the base year 2012-13 and 2013-14.

(iii) Price Effect of the Dumped Imports on the Domestic Industry

47. With regard to the price effect, the Designated Authority is required to consider whether there has been a significant price undercutting by the alleged dumped imports 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. The impact on the prices of the Domestic Industry on account of the alleged dumped imports from the subject country has been examined with respect to the price undercutting, price suppression and price depression, if any.

a. Price Undercutting

48. With regard to the effect of the dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. In this regard, a comparison has been made between the Landed price of imports and the

average selling price of the Domestic Industry. The prices of the Domestic Industry were determined at the ex-factory level.

49. Price undercutting has been assessed by comparing the export price with the domestic selling price in India of the subject goods during the period of investigation as shown in the following table:

Particulars	Unit	2012-13	2013-14	2014-15	POI
Landed price of imports	Rs./MT	1,03,330	1,26,520	1,38,080	1,15,020
Net Sales Realisation	Rs./MT	***	***	***	***
Price Undercutting	Rs./MT	***	***	***	***
Price Undercutting	%	***	***	***	***
Price undercutting	% - Range	0-10%	Negative	Negative	0-10%

50. From the above, the Authority notes that the undercutting during POI is negligible, just 2%. Further, it has come down from 6% in base year to 2% in POI. Undercutting was negative during 2013-14 and 2014-15. Hence, the Authority concluded that undercutting is not significant.

b. Price Suppression/ Depression

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

Particulars	Unit	2012-13	2013-14	2014-15	POI
Landed price of imports without ADD	Rs./MT	1,03,330	1,26,520	1,38,080	1,15,020
Trend	<i>Indexed</i>	<i>100</i>	<i>122</i>	<i>134</i>	<i>112</i>
Landed price of imports with ADD	Rs./MT	1,17,539	1,42,341	1,54,119	1,32,157
Trend	<i>Indexed</i>	<i>100</i>	<i>121</i>	<i>131</i>	<i>112</i>
Cost of Sales	Rs./MT	***	***	***	***
Trend	<i>Indexed</i>	<i>100</i>	<i>114</i>	<i>105</i>	<i>87</i>
Selling Price	Rs./MT	***	***	***	***
Trend	<i>Indexed</i>	<i>100</i>	<i>115</i>	<i>120</i>	<i>107</i>

52. The Authority notes that whereas the cost of sales has declined during the POI as compared to the base year, the net selling price of subject goods has increased during the same period. The landed price of imports has increased during POI as compared to base year. Cost of sales decreased by 13% as compared to base year but selling price increased by 7% during the period. Hence, the Authority does not find any suppression/depression.

(iv) Economic Parameters of the Domestic Industry

53. Annexure II to the Anti-dumping Rules requires that the determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of such products. With regard to consequent impact of these imports on domestic producers of such products, the Anti-dumping 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.
54. Accordingly, various economic parameters of the Domestic Industry are analyzed herein below:

a. Production, Capacity, Capacity Utilization and Sales Volume

55. Production, sales, capacity & capacity utilization details are as follows:

Particulars	Unit	2012-13	2013-14	2014-15	POI
Capacity	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
Production	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>98</i>	<i>101</i>	<i>109</i>
Capacity utilization	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>98</i>	<i>102</i>	<i>109</i>
Domestic Sales	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>85</i>	<i>99</i>	<i>109</i>

56. From the above information, the Authority notes that the production, sales and capacity utilization of the Domestic Industry has increased during period of investigation as compared to base year as well as previous year.

b. Market Share in Demand

57. The details of market share of the Domestic Industry in demand are given in table below.

Particulars	Unit	2012-13	2013-14	2014-15	POI
China PR	%	20%	27%	12%	17%
Other Countries	%	0%	0%	0%	0%
Domestic Industry	%	43%	33%	43%	43%
Other Indian Producers	%	37%	40%	45%	40%

58. It is seen that the market share of Domestic producers have increased in period of investigation and market share of imports from subject country has decreased.

c. Profitability, return on investment and cash profits

59. Performance of the Domestic Industry with regard to profits, return on investment and cash flow is as follows:

Particulars	Unit	2012-13	2013-14	2014-15	POI
Profit/(Loss)	Rs./MT	(***)	(***)	***	***
Trend	Indexed	(100)	(80)	345	514
Profit/(Loss)	Rs.Lacs	(***)	(***)	***	***
Trend	Indexed	(100)	(67)	343	561
Cash Profit	Rs.Lacs	(***)	***	***	***
Trend	Indexed	(100)	931	7,990	11,129
Return on Capital Employed	%	(***)	(***)	***	***
Trend	Indexed	(100)	(66)	231	278

60. It is seen from the above that that the profitability, cash profits and return on capital employed has increased manifold throughout the injury period indicating that the Domestic Industry has not suffered injury on these parameters.

d. Inventories

61. Inventories with the Domestic Industry is as follows

Particulars	Unit	2012-13	2013-14	2014-15	POI
Opening	MT	***	***	***	***
Closing	MT	***	***	***	***
Average	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>67</i>	<i>69</i>	<i>52</i>

62. It is noted that the average inventory level of the subject goods has declined substantially in the period of investigation, which is a sign of improvement of the health of the Domestic Industry.

e. Employment, Productivity and Wages

63. Performance of the Domestic Industry with regard to employment, productivity and wages is as follows:

Particulars	Unit	2012-13	2013-14	2014-15	POI
No of Employees	Nos	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>95</i>	<i>100</i>	<i>109</i>
Wages	Rs.Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>123</i>	<i>140</i>	<i>119</i>
Productivity/Employee	MT/No	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>103</i>	<i>101</i>	<i>99</i>

64. It is seen from the above that the employment and wages during POI have increased as compared to the base year. Productivity per employee has by and large remained same in POI as compared to base year.

f. Growth

65. Performance of the Domestic Industry with respect to domestic sales of the subject goods as calculated on year to year basis is as follows:

Growth year by year	Unit	2012-13 (Base Year)	2013-14	2014-15	POI
Production	%		***	***	***
Sales Volume	%		(***)	***	***
Sales Value	%		(***)	***	(***)
Capacity Utilisation	%		(***)	***	***
Total Cost of Sales	%		***	(***)	(***)
Total Selling Price	%		***	***	(***)
Total Profit/ Loss per unit	%		(***)	***	***
Return on Capital Employed	%		***	***	***

66. It is seen that the broad performance of the Domestic Industry in terms of sales, production, capacity utilization, profitability and return on investments have shown a positive growth in POI.

I. OVERALL CONCLUSION ON EXISTENCE OF INJURY

67. The injury analysis in the preceding paras show that on most of the parameters, the Domestic Industry position has improved substantially, and they do not appear to have suffered the injury. Only some parameters like price undercutting etc. show existence of some injury. Hence the Authority considered it necessary to go to the next step of magnitude of injury.

J. MAGNITUDE OF INJURY AND INJURY MARGIN

68. The non-injurious price of the subject goods produced by the Domestic Industry as determined by the Authority in terms of Annexure III to the AD Rules has been compared with the landed value of the exports by the co-operative exporters from the subject country for determination of injury margin during the POI and the injury margin so worked out is as under:

Name	NIP		Landed Value		IM		IM	IM
	Rs/MT	USD/MT	Rs/MT	USD/MT	Rs/MT	USD/MT	%	Range
Suzhou Luosen Auxiliaries Co. Ltd/ Wujiang City Yilin Foreign Trading Co. Ltd.	***	***	***	***	(***)	(***)	(***)	Negative

HejianYingzhou Chemical Co. Ltd	***	***	***	***	***	***	***	10-20
Any Other	***	***	***	***	***	***	***	15-25

69. The Authority notes that out of the two co-operative producers M/s Suzhou Luosen Auxiliaries Co. Ltd exporting through M/s Wujiang City Yilin Foreign Trading Co. Ltd. had co-operated during the original investigation as well as the present review investigation. The injury margin calculated by comparing NIP and the landed value of the exporter is negative. For the other producer/exporter M/s HejianYingzhou Chemical Co. Ltd, who has appeared before the Authority only during the present review investigation, the injury margin is positive and significant. In view thereof, it is noted that there is no injury to the Domestic Industry in respect of imports from M/s Suzhou Luosen Auxiliaries Co. Ltd exporting through M/s Wujiang City Yilin Foreign Trading Co. But in respect of other exporters there is an injury to the Domestic Industry. In view of absence of injury due to imports from M/s Suzhou Luosen Auxiliaries Co. Ltd. exporting through M/s Wujiang City Tilin Foreign Trading Co. the analysis of likelihood parameters has also undertaken by the Authority.

K. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

70. As this is a sunset review investigation and the investigation has to be examined for likelihood scenario of continued dumping and consequent injury if the anti-dumping duties are allowed to expire. The Authority has considered parameters for threat to material injury as mentioned in the rules to examine likelihood of continuation or recurrence of dumping and injury.

Submissions by the Domestic Industry

71. Following are the submissions made by the Domestic Industry with regard to likelihood of continuation of dumping and consequent recurrence of injury:

- i. Imports from China were significant in the period of investigation and also during post POI. Import volume is likely to intensify in the event of expiry of anti-dumping duty.
- ii. The import prices have fallen in the Period of investigation to a level which is below even the level of original investigation. This clearly shows the likely trend of import prices in the event of cessation of anti-dumping duty. The drop in the import price is undercutting the prices of the Domestic Industry.
- iii. For the assessment of whether injury will continue or recur, the Authority is required to analyze the future events, based on projected levels of dumped imports, prices, and impact on Domestic Industry.
- iv. The parameters relevant for examining threat is largely related to exporter's behavior, such as rate of increase in imports, unutilized capacities with the

exporters, inventories with the exporters. None of the parameters refer to the actual performance of the Domestic Industry.

- v. While threat parameters have been used to determine likelihood of injury, it must be considered that "these are threat parameters" and therefore are "required to be accordingly applied".
- vi. Freely disposable production capacities with the producers in the subject country are sufficient to meet entire Indian demand. Production capacity of Suzhou Luosen Auxiliaries Co. Ltd. alone, who had responded to the exporter questionnaire in the original as well as present investigation, have claimed to have annual production capacity of 20,000 MT for the production of PNA.
- vii. There is significant price undercutting during period of investigation without anti-dumping duty. Price undercutting was negative in the beginning of the period of investigation, became positive towards end of the period of investigation and was positive even on weighted average basis in the post period of investigation. It clearly establishes that in the event of cessation of anti-dumping duty, the imports are likely to enter the Indian market at dumped prices causing significant undercutting and depression effect. The foreign producers are intensely focused on exports.
- viii. Performance of the Domestic Industry has improved and then deteriorated over the present period in line with the import price
- ix. Performance of the Domestic Industry improved when the import price was fair and performance of the Domestic Industry deteriorated once again when the import price declined to unreasonable levels. Monthly performance of the Domestic Industry shows that the selling price of the Domestic Industry has moved in tandem with import price.
- x. The import price has decreased significantly and, the prices are undercutting the domestic prices. The price undercutting is positive in post POI analysis
- xi. The Domestic Industry is vulnerable to the price sensitive of the product and Indian market.

Submission of exporters

72. There is no likelihood of recurrence of injury as per Article 9A (5) of the Customs and Tariffs Act.

Examination by the Authority

73. The Authority has examined the contention of the Domestic Industry to examine likelihood of continuation or recurrence of dumping and injury, in terms of Annexure II (vii) of the Rules. Clause (vii) of Annexure II to the rules provides, inter alia for four factors which are required to be taken into consideration, viz.:

- a. A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation;

- b. Sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports;
- c. Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports; and
- d. Inventories of the article being investigated.

a. Volume of Imports during POI and Post POI

74. The volume of imports from China PR over the entire injury period, POI and post POI are given in table below:

	2012-13	2013-14	2014-15	POI	Post POI (April-Sept. 2016)
As per DGCIS	1705	2564	983	1423	1387

75. The examination of volume of imports indicates that there is a decline in volume of imports during period of investigation as compared to the base year, however, the imports during post POI of six months, shows an increase in imports in spite of anti-dumping duty being in force.

b. Excess Capacities and export orientation

76. This parameter for ascertaining the threat of material injury requires evaluation of existing surplus capacities and capacity addition, if any, to explore the possibility of diversion of disposable quantity to Indian market.

77. The data as given in the exporters' response/claim indicates that there are some surplus capacities with the producers/exporters in China for the subject goods. However, level of surplus/unutilised capacity is not significant as to indicate a likelihood of dumping and injury to Domestic Industry. Further, the table below shows that the Chinese producers have substantial export orientation.

Name of Producer	Capacity (MT)	Production (MT)	Domestic utilisation	Exports to India	Exports to ROW	Total Exports	% Exports
Suzhou Luosen Auxiliaries Co. Ltd	***	***	***	***	***	***	***
HejianYingzhou Chemical Co. Ltd	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***

c. Inventories of the subject goods

78. The questionnaire response filed by Suzhou Luosen Auxiliaries Co.Ltd., China indicates the details of inventories with the producer and the same have increased over the injury period and in POI as below. Hejian Yingzhou Chemical Co. Ltd have no inventories with them.

Producer	2014	2015	POI
Suzhou Luosen Auxiliaries Co.Ltd	***	***	***
HejianYingzhou Chemical Co. Ltd	Nil		

79. The exporters which show some inventories, have not caused injury to the Domestic Industry. The other exporter has no inventories.

Conclusion of likelihood of continuation or recurrence of dumping and injury

80. The Authority notes that in view of the information filed by DI and the exporter in its questionnaire response, it would be seen that there is a decline in volume of imports during period of investigation as compared to the base year. However, as compared to the previous year volume of imports during period of investigation and post POI have increased. The responding producers also have surplus capacities with 78.61% capacity utilization. There is increase in level of inventories with one of the producer M/s Suzhou Luosen Auxiliaries Co. Ltd exporting through M/s Wujiang City Yilin Foreign Trading Co. However, the unutilized capacities are not very significant and whatever production is taking place currently is also being exported to various countries. Therefore, there appears to be no strong indicator for diversion of these exports to India. Also the increase in inventories is not significant leading to conclusion that they will end up in Indian market at dumped price. In view of the above, the Authority notes that there is no likelihood of continuation or recurrence of dumping and injury in case of cessation of anti-dumping duty against M/s Suzhou Luosen Auxiliaries Co. Ltd exporting through M/s Wujiang City Yilin Foreign Trading Co.

L. CAUSAL LINK AND NON ATTRIBUTION ANALYSIS OF OTHER KNOWN FACTORS

81. Having examined the existence of continued dumping injury, volume and price effects of dumped imports on the prices of the Domestic Industry, in terms of its price undercutting and price suppression and depression effects, other indicative parameters listed under the Indian Rules and Agreement on Anti-Dumping have been examined by the Authority to see whether any other factor, other than the dumped imports could have contributed to injury to the Domestic Industry, as follows

a. Volume and price of imports from third country:

82. Statement of imports from countries other than the subject country shows that the imports of subject goods from other countries are entering at below de minimis levels. Therefore, the imports from other countries cannot be considered to have caused injury to the Domestic Industry

b. Contraction in Demand and / or Changes in Pattern of Consumption

83. Overall demand for the subject goods has shown positive growth during the injury period. It is also noted that no significant change in the pattern of consumption has come to the knowledge of the authority, nor any interested party has made any submission in this regard.

c. Trade restrictive practices of and competition between the foreign and domestic producers

84. There is no trade restrictive practice, which could have contributed to the injury to the Domestic Industry as the raw materials as well as the subject goods are freely importable in the country. The Domestic Industry competes among one another and at the same time competes with the landed price of the subject goods.

d. Developments in technology:

85. Technology for production of the product concerned has not undergone any change. Thus, developments in technology cannot be regarded as a factor causing injury to the domestic injury.

e. Export performance of the Domestic Industry:

86. Domestic Industry has exported the subject goods. However, the price and profitability in the domestic and export market has been segregated by the authority for the purpose of present injury assessment. Therefore, export performance would not have affected the injury analysis made by the Authority in this Final Finding. The claimed injury to the Domestic Industry is solely on account of domestic operations.

f. Performance of other products:

87. Performance of other products being produced and sold by the Domestic Industry has no impact over the reported performance of the subject product. The claimed injury is on account of the subject goods.

M. POST DISCLOSURE COMMENTS

88. The post disclosure submissions have been received from the interested parties. The comments/submissions made by the interested parties and considered relevant by the Authority are examined as below:

Submission made by the Domestic Industry

89. The submissions have been summarized as below:

- e. The designated authority has applied the principles of fresh investigation to the sunset review investigation. The injury has been looked into as a fresh investigation. The impact of imports on the Domestic Industry has been seen with regard to Annexure II (IV).
- f. The Authority has not disclosed essential facts in the disclosure statement. The disclosure does not disclose whether the Domestic Industry is suffering continued injury or not suffering continued injury.
- g. The parameters of likelihood examined by the Authority are not disclosed and also the facts considered by the Authority for examination of likelihood is not disclosed in the disclosure statement.
- h. The Authority has only reiterated the arguments submitted by the Domestic Industry and has not disclosed the facts considered by him.
- i. The Authority has not examined injury margin and dumping margin in third country exports. The disclosure statement is incomplete without disclosure of injury margin and in case disclosure of injury margin is not necessary, the Authority needed to specify the same.
- j. The Authority has not disclosed producer wise injury margin and the same is inconsistent with Rule 16. The Authority has merely disclosed the weighted average, hence the Domestic Industry is unable to comment on the same and this is in clear violation of principal of natural justice.
- k. The Authority has not acknowledged various issues raised by the Domestic Industry or has failed to address the issues.
- l. Authority has not addressed the issue of month wise determination of normal value export price and dumping margin. The Authority has nowhere addressed that the price undercutting was negative in the beginning and which began negative by the end of the Period of investigation. Also, there is significant undercutting on weighted average in the post Period of investigation, which shows likelihood of injury.
- m. The import prices have fallen in the period of instigation even below than the original investigation. This goes on to prove likelihood of injury on cessation of present anti-dumping duty.
- n. The Domestic Industry is vulnerable to the price sensitive of the product and Indian market.
- o. Imports from China were significant in the original investigation and it remained significant thereafter and in the present period of investigation.

- p. Presently the dumped imports caused price suppression and depression. On cessation of present duty the Domestic Industry will be forced to reduce the price, even below the cost of production resulting into significant financial loss.
- q. The designated authority is required to examine the probable consequences of cessation of duty. Improvement of present situation is the consequence of present duty. The Authority is required to examine the likelihood of recurrence of injury apart from the present improvements.
- r. Disclosure of essential facts means disclosure of the facts which formed the basis of the determination. If the Authority does not disclose essential information the interested parties will not be able to provide any comment to the disclosure statement.
- s. If the Authority merely reiterates the submissions made by the Domestic Industry means that the Authority has considered the submissions made by the Domestic Industry or the Authority has not disclosed the essential facts.
- t. The authority is requested to disclose certain facts to enable the interested parties to offer comments, such as exporter wise injury margin. This fact is an essential facts and non-disclosure of the same amounts to violation of principal of natural justice.
- u. The Authority is requested to disclose the non-confidential version of the verification report of the exporter/producer from the subject country.
- v. The Authority is requested to disclose non confidential version of copy of communications sent to the opposing parties and their replies. Also, disclose the complete detailed break-up of non-injurious price determined.
- w. The actual dumping margin should be disclosed by the Authority. The same is going to be disclosed at the time of final findings. Anything non confidential at the time of final findings cannot be treated as confidential at the time of disclosure statement. The dumping margin of non-cooperating exporter is based on Domestic Industry's data so there is no reason why it should be kept confidential.
- x. The actual data adopted for determination of injury margin should be disclosed.
- y. Third country export has not been disclosed anywhere in the exporter questionnaire response which is prescribed for sunset review cases or in the disclosure statement. It is also not clear if such exports, in case given, have been considered to determine likelihood.
- z. Exporter wise individual dumping margin is disclosed but injury margin is not. There is no reason for doing so has been given by the Authority.
- aa. Response filed by Hejian Yingzhou Chemical Co. is not complete and information with regard to inventories is not provided. The response should be rejected solely on this ground. It is not clear if both the exporters have provided invoice by invoice details of exports to various countries.
- bb. Application of Annexure II (vii) for likelihood analysis without making necessary changes is an incorrect application of Rule 23(3).
- cc. Threat of material injury-Parameters to be considered for determining likelihood of injury to the Domestic Industry with necessary changes.

- dd. The subject country has huge surplus capacity. Response filed by M/s Suzhou Luosen Auxiliaries Co. Ltd. in the original as well as present investigation shows that they have excess capacity.
- ee. Dumping margin for the exporters in the previous investigation was really high. The Indian market for the product under consideration is highly price sensitive.
- ff. The foreign producers are intensely focused on exports as is evident from evidence provided earlier. In the event of cessation of duty, these exporters are likely to increase their exports to India at dumped prices.
- gg. The Authority does not need to see injury in case of sunset review investigation any reliance on injury margin and NIP to conclude existence or non-existence of likelihood of injury would directly go against the Gujarat High Court order.
- hh. The disclosure statement issued by the Authority nowhere deals with the above issue raised by the petitioner and the Authority has determined injury margin despite no injury in the present case.
- ii. The duty should be fixed form of duty and should be expressed in US\$.

Submission made by other interested parties/Producers/Exporters/Importers

90. The submissions have been summarized as below:

- a. After the expiry of NME status on 11th Dec, 2016, China PR should be treated as Market Economy and there is no legal basis under the agreements of the World Trade Organization to calculate normal value in anti-dumping investigation of Chinese products using the non-market economy methodology as per Section 15(a) (ii) of the Protocol on the Accession of the People's Republic of China to the World Trade Organization. Any such action would be inconsistent with the requirements of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Anti-Dumping Agreement") and other covered agreements.
- b. Normal value of China calculation must be in accordance with Article 2 of the Anti-Dumping Agreement; and the data on costs and prices provided by the Company in this response must be applied for the determination of the normal value rather than applying analogue country data in this investigation.
- c. The Designated Authority must examine any known factors other than the dumped imports causing injury to the Domestic Industry. It was conceded by the Domestic Industry during the Public Hearing that no injury has been caused to them due to imports from China PR during the POI and subsequently, still the comments are being filed on various economic parameters which are required to be examined under the law.
- d. Production and Capacity utilisation, Domestic Sales has increased. Cost of Sales and Selling Price has been reduced; increase in domestic sales does not correlate to the installed capacity. Number of Employees, Profitability, Cash Profit and Return on Capital Employed has increased. No price Undercutting during POI and both Dumping and Injury margins is negative.
- e. Cessation of duty and likelihood of continuation or recurrence of dumping and

injury need to be examined by the Designated Authority in the SSR investigation. In case the dumping and injury does not exist, it cannot continue or recur. It has been conceded by DI that exporters from China PR are not dumping and causing injury to the DI..

- f. Imports from China PR did not have any price and volume impact on the petitioner. During the POI imports have remained at the lowest level, thus there is no volume effect on the Domestic Industry due to dumped imports.
- g. The demonstration of a causal relationship between the dumped imports and the injury to the Domestic Industry Factors enumerated for causal relationship under the law has not been explained. The Authority should examine any known factors other than the dumped imports which are injuring the Domestic Industry at the same time. The petitioner has not provided information on causal link.

Examination by the Authority

91. It is noted that the issues raised at post disclosure stage have already been examined by the Authority in above relevant paragraphs, however for the sake of the clarity of the submissions they are addressed as below:

- a. As regards the NME status and Normal Value calculation the Authority notes that the factum of dumping causing injury to the Domestic Industry is established based on investigation period, the conditions prevalent during the investigation period alone is relevant, appropriate and necessary for the purpose of present investigation. The Period of Investigation (POI) for the purpose of the present review is April, 2015 to March, 2016. Since the subparagraph of Article 15 was in existence during the period of investigation, the Authority may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product. In the present case, since none of the producer/exporter in China has filed Market economy questionnaire response, the Authority has considered China as a non-market economy for the present investigation and accordingly the normal value has been determined.
- b. As regards the volume and price impact the Authority notes that the imports from subject country have decreased during POI in absolute terms as well as in relation to total imports and total demand in India when compared to the base year.
- c. As regards the Cessation of duty and likelihood of continuation or recurrence of dumping and injury the Authority has been applying parameters for threat to material injury for determination of likelihood of injury in review cases. The Hon'ble High Court of Gujarat in its decision dated 23/2/2017 in Special Civil Appeal case no 16426 to 16429 of 2016 have stated that the threat parameters laid down under the law are to be considered for likelihood examination which has been applied in the present case. Further, the Authority has not restricted its analysis only on the basis of these parameters but has also examined other injury parameters for examination of likelihood of injury to the Domestic Industry.
- d. As regards the non-disclosure of the facts, the Authority notes that in the Disclosure

Statement, Authority has disclosed all the essential facts of the investigation, as analysed, to the interested parties. Also, the Authority has replied vide letter and email dated 10th August, 2017 to the Domestic Industry after the issuance of the Disclosure Statement wherein details of NIP calculations and other clarifications were also provided on issues raised by the DI.

- e. As regards the argument that no conclusion has been provided in the disclosure statement, the Authority notes that as per Rule 16 of the AD Rules, the Authority is only required to disclose the facts which will form basis of the final findings. Accordingly, the Authority has disclosed the essential facts vide its disclosure statement dated 1st August, 2017
- f. As regards argument on injury and examination of other factors of injury, the same has been dealt in the relevant paragraph of these findings.
- g. As regards details of inventories of Hejian Yingzhou Chemical Co. Ltd, it is clarified that the said producer/exporter has no inventories in 2014, 2015 and POI.
- h. As regards the argument of month wise analysis not considered by the Authority, it is noted that the Authority has examined all the information considered relevant in the present investigation and concluded as per the Rules and consistent practice.

N. CONCLUSION

92. The Authority has, after considering the foregoing, come to the conclusion that:

- jj. The subject goods have been exported to India from the subject country below its associated normal value except from M/s Suzhou Luosen Auxiliaries Co. Ltd exporting through M/s Wujiang City Yilin Foreign Trading Co;
- kk. The Domestic Industry has suffered injury from the exports from China except M/s Suzhou Luosen Auxiliaries Co. Ltd exporting through M/s Wujiang City Yilin Foreign Trading Co
- ll. There is no likelihood of continuation or recurrence of dumping and injury in case of cessation of Anti-dumping duties from M/s Suzhou Luosen Auxiliaries Co. Ltd exporting through M/s Wujiang City Yilin Foreign Trading Co.

O. INDIAN INDUSTRY'S INTEREST AND OTHER ISSUES

93. The Authority recognizes that imposition of antidumping duties might affect the price level of product in India. However, fair competition in Indian market will not be reduced by the anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantage gained by dumping practices, would arrest the decline of the Domestic Industry and help maintain availability of wider choice to the consumers of subject goods. Consumers could still maintain two or more sources of supply.

94. The Authority notes that the purpose of antidumping duties, in general, is to eliminate injury caused to the Domestic Industry by unfair trade practices of dumping so as to re-establish a situation of open and fair competition in Indian market, which is in the general interest of the country. Imposition of anti-dumping measures would not

restrict imports from the subject country in any way, and therefore, would not affect the availability of the products to the consumers.

P. RECOMMENDATIONS

95. The Authority notes that the review investigation was initiated and notified to all interested parties and adequate opportunity was given to the exporters, importers and other interested parties to provide positive information on the aspects of dumping, injury and causal link. Having initiated and conducted the investigation into dumping, injury and the causal link thereof in terms of the AD Rules, the Authority considers it necessary to recommend imposition of definitive anti-dumping duty on imports of subject goods from the subject country in the form and manner described hereunder.

96. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of definitive anti-dumping duty equal to the lesser of margin of dumping and margin of injury, from the date of notification to be issued in this regard by the Central Government, in modification of Customs Notification No. 88/2011-Customs dated 9th September, 2011. Accordingly, the antidumping duty equal to the amount indicated in Col No.8 of the table below is recommended to be imposed on all imports of the subject goods originating in or exported from the subject country.

Sr. No	Tariff Item*	Description of Goods	Country of Origin	Country of Export	Producer	Exporter	Amount (in USD)	UOM
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	292142 26	Para nitroaniline	China PR	China PR	M/s. Suzhou Luosen Auxiliari es Co. Ltd.	M/s. Wujiang City Yilin Foreign Trading Co. Ltd.	Nil	MT
2.	292142 26	Para nitroaniline	China PR	China PR	M/s. Hejian Yi ngzhou Chemical Co. Ltd	M/s. Hejian Yin gzhou Chemical Co. Ltd	183.54	MT
3.	292142 26	Para nitroaniline	China PR	China PR	Any combination other than mentioned in SI No-1 to 2 above		256.48	MT
4.	292142 26	Para nitroaniline	China PR	Any country other than China PR	Any	Any	256.48	MT
5.	292142 26	Para nitroaniline	Any country	China PR	Any	Any	256.48	MT

			other than China PR					
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97. An appeal against the order of the Central Government arising out of this final finding shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

(Dr. Inder Jit Singh)
Additional Secretary & Designated Authority