

F. No. 14/16/2013-DGAD
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti Dumping & Allied Duties
4th Floor, Jeewan Tara Building, Parliament Street, New Delhi

Dated the 21st September, 2015

NOTIFICATION

(Final Findings)

Subject: Anti-dumping investigation concerning imports of Hexamine originating in or exported from China PR and UAE.

No. 14/16/2013-DGAD- Having regard to the Customs Tariff Act, 1975 as amended from time to time and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995 thereof:

A. BACKGROUND OF THE CASE

1. Whereas, M/s Kanoria Chemicals & Industries Limited and M/s Simalin Chemical Industries Pvt. Ltd. (hereinafter also referred to as the applicants or the Domestic Industry) filed a duly substantiated application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the ad Rules or the Rules), alleging dumping of Hexamine (hereinafter referred to as the Product under Consideration (PUC) or the subject goods), originating in or exported from China PR and United Arab Emirates [UAE] (hereinafter referred to as the subject countries), and for initiation of antidumping investigation and levy of anti-dumping duties on the imports of the subject goods, originating in or exported from the subject countries.
2. And whereas, the Authority found sufficient prima facie evidence of dumping of the subject goods originating in or exported from the subject countries; injury to the domestic industry; causal link between alleged dumping and injury and thus initiated the antidumping investigation in terms of Rule 5 of the Anti-dumping Rules vide Notification No. 14/16/2013-DGAD dated 25th March 2014 to investigate into the alleged dumping and consequent injury to the domestic

industry and to determine the existence, degree and effect of the alleged dumping and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

B. PROCEDURE

3. The procedure described below has been followed in this investigation:
 - (i) The Authority notified to the Embassies of the subject countries in India about the receipt of the application of dumping allegation before proceeding to initiate the investigation in accordance with sub-rule 5(5) of the Anti-dumping Rules.
 - (ii) The Authority issued a public notice No 14/16/2013-DGAD dated 25th March 2014, published in the Gazette of India, Extraordinary, initiating anti-dumping investigation concerning imports of the subject goods from the subject countries.
 - (iii) The Authority forwarded a letter along with copy of the public notice to all the known exporters and other interested parties/industry associations (whose details were made available by the domestic industry) and gave them opportunity to make their views known in writing within the prescribed time limits in accordance with the AD Rules.
 - (iv) The Authority provided a copy of the non-confidential version of application to the known exporters in the subject countries in accordance with the AD Rules. A copy of the application was also made available to other interested parties, upon request.
 - (v) Copies of the letter and the exporter's questionnaires sent to the exporters/producers in the subject countries were also sent to the Embassies of the subject countries in India along with a list of known exporters / producers with a request to advise the known exporters / producers from the subject countries as also other exporters / producers from the subject countries to respond to the questionnaires within the prescribed time limits.
 - (vi) The Authority sent exporter's questionnaires to elicit relevant information to the following known exporters in China PR in accordance with the AD Rules:
 - a) Jinan Xiangrui Chemical Co. Ltd., No. 30 Jiefang Road, Jinan, Shandong, China
 - b) Ruixing Group Co. Ltd., Room A-102 Chemical Market, No. 96 South Gongye Road, Lixia District, China
 - c) Jinan Haoyang Chemical Co. Ltd., Hehua East Road, Mingshui, Zhangqui City, Shandong Province, China
 - d) Nanjing Tichem Industry Co. Ltd., 1804 Ruihua Mansion, 315 Zhongshan Nan Road, Nanjing, China
 - e) Jinan Shenyu International Trade Co. Ltd. - North Of Lishan, North Road, Jinan, Shandong, 250100, China
 - f) Anhui Graceman Imp. & Exp. Development Co., Ltd. The Garments Mansion, No. 112, Lujiang Road, Hefei, Anhui – 233500, China

- g) Jin De Yuan Chemical Co., Ltd. Street No. 111 North 2nd Ring Road, Chang An Area, Shijiazhuang, Hebei, China
 - h) Jinan Licheng Xinxing Auxiliary Agent Factory, Lingang Development Zone, Yaoqiang Town, Licheng District, Jinan – 250100 - China
- (vii) None of the exporters from China PR filed responses to the questionnaire.
- (viii) The Authority did not send the exporter's questionnaires to any known exporters in UAE because the Domestic Industry did not provide the details of any known exporter in UAE. However, since the Domestic Industry had given prima facie evidence of dumped imports from UAE, the Authority had sent a letter to the embassy of UAE in New Delhi mentioning therein that ".....all exporters of the subject goods might not have been intimated directly by the Authority. It is, therefore, requested that this investigation may be brought to the notice of all concerned. Exporters/producers having interest in export of the subject goods to India may be advised to furnish information in the form and manner prescribed in the enclosed Questionnaire to the Authority within 40 days of the date of this communiqué".
- (ix) None of the exporters from UAE filed responses to the questionnaire. However, legal submissions have been made by the Ministry of Economy, UAE.
- (x) The Authority also forwarded a copy of the public notice to the following known importers/users (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 forty days from the date of issue of the letter in accordance with the Rule 6(4).

Importers/Users

- a) Shubham Chemicals & Solvents Ltd., Delhi
- b) Ashoka Marketing Agencies, Chennai
- c) Esterkote Pvt. Ltd., Chennai
- d) Gargi Huttens P. Ltd -Albertus Pvt. Ltd., Mumbai
- e) Saket Chemicals, Mumbai
- f) Dujowala Paper Chem, Mumbai
- g) IVP. Ltd., Jamshedpur
- h) T.R. Chemicals Pvt. Ltd., Rajganpur, Orissa
- i) HPL Industries Pvt. Ltd., Faridabad
- j) Shivam Adhesives Pvt. Ltd., Hanumangarh Jn, Rajasthan
- k) IVP. Ltd., Palghar, Thane
- l) Foseco India Ltd., Pune
- m) National Chemical Industries, Kota
- n) Rajasthan Coatings & Chemicals, Jodhpur
- o) Demaco Polymers P. Ltd., Faridabad
- p) Indogulf Industries Ltd., New Delhi

- q) Getwell Chem, Mumbai
 - r) Modichem Plast Materials P. Ltd., Mumbai
 - s) Rupani Chemical Agencies, Chennai
 - t) X 'Pro India Ltd., Faridabad
 - u) Ordnance Factory Nagpur
 - v) S.R.Plastics, Delhi
 - w) Resins & Plastics Ltd., Mumbai
 - x) Pragati Chemicals P. Ltd., Ankleshwar, Gujarat
 - y) D.C.Chemicals, Kolkata
 - z) Promis Industries, Jamshedpur
 - aa) P.Kumar & Co., Kolkata
 - bb) Techno Waxchem P. Ltd., Kolkata
 - cc) Dujadwal Paperchem, Mumbai
 - dd) National Techno Industries, Kota
 - ee) A.V.M. Sales Corpn., Kolkata
 - ff) Goodwill Rasayan, Mumbai
 - gg) United Meta Chem Pvt. Ltd., Pune
- (xi) None of the importers/users filed any responses to the questionnaire or made any submissions.
 - (xii) The Period of Investigation (POI) for the purpose of the present investigation was from 1st October, 2012 to 30th September, 2013. The examination of trends in the context of injury analysis covered the periods 2010-11, 2011-12, 2012-13 and the POI.
 - (xiii) Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of subject goods for the past three years, including the period of investigation, and the said information was obtained from the DGCI&S and adopted for the purpose of the present investigation.
 - (xiv) The Authority made available non-confidential version of the evidence in the form of a public file kept open for inspection by the interested parties as per the AD Rules.
 - (xv) 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.
 - (xvi) In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to all interested parties to present their views orally in a public hearing held on 5th January, 2015 which was attended by only the domestic industry. The domestic industry which presented its views in the oral hearing was requested to file written submissions of the views expressed orally. However, after the

oral hearing, due to change in the incumbency of Designated Authority, another oral hearing was held on 19th August, 2015. This new public hearing was held by the new DA as per the judgment of the Hon'ble Supreme Court in the matter of Automotive Tyre Manufacturers Association (ATMA) vs Designated Authority, delivered by a Division Bench in Civil Appeal No. 949 of 2006 on 7-1-2011. The new oral hearing was again attended by the domestic industry only. The Domestic Industry was again requested to file written submissions of the views expressed orally.

- (xvii) The submissions made by the domestic industry and the Government of UAE during the course of the investigation and considered relevant by the Authority have been examined and addressed in this investigation.
- (xviii) On the spot verification of the information and data submitted by the domestic industry was carried out to the extent deemed necessary.
- (xix) Information provided by the interested parties on confidential basis was examined by the Authority with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered confidential and not disclosed. Wherever possible, the interested parties were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- (xx) Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has recorded these essential facts on the basis of the 'facts available' and treated such parties as non-cooperative.
- (xxi) A Disclosure Statement containing the essential facts in this investigation which would have formed the basis of the Final Findings was issued to the interested parties on 08.09.2015. The post Disclosure Statement submissions were received only from the domestic industry and have been considered, to the extent found relevant, in this Final Findings Notification.
- (xxii) At the request of the Authority, the Central Government extended the time period to complete the investigation up to 24th September, 2015.
- (xxiii) *** in this Final Findings Notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- (xxiv) The exchange rate adopted for the POI is 1 US \$ =Rs 56.89.

C. SCOPE OF PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Submissions by the Domestic Industry

- 4. The following submissions have been made by the domestic industry:
 - (i) The product under consideration in the present investigation is Hexa Methylene Tetramine, known as Hexamine in market parlance.

- (ii) Hexamine is used for various industrial purposes. The most important use of Hexamine is for production of Solid Phenolic Resins. It is also being used in Thermosetting Resins like Phenolformaldehyde. It is used as a cross-linking agent for hardening and resins.
- (iii) There is no known difference in the subject goods produced by the domestic industry and the subject goods exported from the subject countries. Both have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing, tariff classification, etc. The two are technically and commercially substitutable. The consumers have used and are using the two interchangeably.

C.2 Submissions made by the producers/exporters/other interested parties

- 5. None of the other interested parties have responded or raised any issues with respect to the product under consideration and like article.

C.3 Examination by the Authority

- 6. The product under consideration in the present investigation is Hexa Methylene Tetramine known as Hexamine in market parlance. Hexa Methylene Tetramine is a white crystalline powder with a sweet metallic taste. In the pure form, it is colourless and odourless. It crystallizes in rhombic dodecahedrons. Hexa Methylene Tetramine compound is also known as Ammoform, Methenamine, Cystamine, Cystogen, Urotropine. It is classified under custom sub-heading 2921.29.10 of the Customs Tariff Act, 1975. The customs classification is, however, indicative only and is in no way binding on the scope of the present investigation. With regard to the issue of Like Article, the Authority has examined the submissions on record and notes that there is no known difference in subject goods produced by the domestic industry and that imported into India from the subject countries. The subject goods produced by the domestic industry and that imported from the subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. None of the opposing interested parties has raised any objection in this regard. In view of the same, the Authority holds the subject goods produced by the domestic industry are like article to the subject goods imported from the subject countries in accordance with the AD Rules.

D. SCOPE OF DOMESTIC INDUSTRY AND STANDING

D.1 Views of the Domestic Industry

7. The Domestic Industry has made the following submissions with respect to the scope of domestic industry and standing:
- (i) The petition has been jointly filed by M/s Simalin Chemical Industries Pvt. Ltd., Vadodara and M/s Kanoria Chemicals & Industries Ltd., Ankleshwar, on behalf of the domestic industry.
 - (ii) There were four producers of the product in India. However, severe dumping of the product from a number of countries has led to the closure of production of the other two producers, namely, M/s. Rockhard and M/s Newton Engineering. Therefore, production of the petitioners constitutes total Indian production within the meaning of the Rules.

D.2 Views of exporters/importers/users and other opposing interested parties

8. None of the other interested parties has responded or raised any issues with respect to the scope of the domestic industry and its standing.

D.3 Examination by the Authority

9. The Authority has examined the submissions made. The petition was jointly filed by M/s Simalin Chemical Industries Pvt. Ltd., Vadodara and M/s Kanoria Chemicals & Industries Ltd., Ankleshwar. Both the companies are producers of the product under consideration in India and as per the records available, they have not imported the product from the subject countries during period of investigation. They are not related to any producer in the subject countries or importer in India.
10. As per the information available with the Authority, the applicants account for a major proportion of Indian production of the subject goods and, therefore, constitute the domestic industry within the meaning of the Rules and have the standing.

E. ASSESSMENT OF DUMPING – METHODOLOGY AND PARAMETERS

E.1 Normal Value, Export Price and Dumping Margin

11. The Authority notes that none of the exporters/producers from the subject countries has responded to the initiation notification by filing exporter questionnaire in the manner and format prescribed.

E.2 Views of the domestic industry

12. The Domestic Industry has made the following submissions with respect to normal value, export price and dumping margin:
- (a) China should be considered a non-market economy in line with the position taken by the Authority in previous cases, and by investigating authorities in other

countries. Chinese producers' cost and price cannot be relied upon for determination of normal value.

- (b) AD Rules have prescribed certain conditions that have to be satisfied in order to establish the claim of market economy treatment (MET). Based on various pronouncements relating to examination of market economy status by India and other investigating authorities, certain jurisprudence has clearly emerged and market economy status cannot be granted unless following conditions are fulfilled. It is to be noted that each and every condition must be fulfilled by an intending exporter in order to claim market economy treatment.
- (i) Market economy status cannot be given in a situation where one of the major shareholders is a State owned/controlled entity.
 - (ii) Market economy status cannot be given unless the responding Chinese exporters establish that the prices of major inputs substantially reflect market values.
 - (iii) Market economy status cannot be given unless the responding exporter establishes that their books are audited in line with international accounting standards.
 - (iv) Market economy status cannot be granted even if one of the parameters is not satisfied.
 - (v) The onus/obligation to establish market economy status is onto responding Chinese exporters and not onto the Designated Authority.
 - (vi) Market economy status cannot be granted unless the responding company and its group as a whole make the claim.
 - (vii) In a situation where the current shareholders have not set up their production facilities themselves but have acquired the same from some other party, market economy status cannot be granted unless process of transformation has been completely established through documentary evidence.
 - (viii) Except where the responding Chinese exporters confirm to each of these standards, the Designated Authority is required to determine normal value in accordance with Para 7 of Annexure-I to the AD Rules.
- (c) It has been contended by the domestic industry that since none of the exporters or producers in the subject countries have responded to the initiation notification or filed any questionnaire responses, the Authority may proceed on the basis of best available information as per Rule 6(8).
- (d) India is an appropriate surrogate country for Chinese producers. This has been accepted by other investigating authorities also. Petitioners have claimed normal value in China PR on the basis of cost of production in India, duly adjusted, for price and consumption norms of major raw material (Formaldehyde) and all other raw material costs, utility and conversion cost. In view of the significant increase in the raw material prices which has led to significant increase in the associated cost of the product; the petitioners have claimed construction of month-wise normal value to calculate month-wise dumping margin.
- (e) The petitioners have made efforts to get evidence of price of product concerned in the domestic market of UAE and to get evidence of price from published

sources. However, they could not collect any information/evidence such as price lists or quotations of producers of the subject goods in the domestic market of UAE due to lack of relevant information in public domain and, therefore, they have constructed the normal value in the case of imports from UAE, based on the international prices of the raw material taken from DGCI&S data and consumption norms of the domestic industry, estimates of conversion costs, selling, general & administrative expenses and reasonable profit margin. In view of significant increase in the raw material prices, which has led to significant increase in the associated cost of the product, the petitioners have claimed consideration of month-wise normal value to calculate month-wise dumping margin.

- (f) Petitioners claim adjustment of expenses for ocean freight, marine insurance, port expenses, inland freight, bank charges, commission and VAT (in case of China PR).
- (g) After considering the normal value and export price on the above basis, dumping margins for both the subject countries are significant.

E.3 Determination of Normal Value for producers and exporters in China PR

- 13. The Authority notes that in the past three years, China PR has been treated as a non-market economy country in the anti-dumping investigations by other WTO Members as well. Therefore, in terms of para 8 (2) of the Annexure 1 of AD Rules, China PR has been treated as a non-market economy country subject to rebuttal of the above presumption by the exporting country or individual exporters in terms of the above Rules.
- 14. As per Paragraph 8, Annexure I to the Anti Dumping Rules, as amended, the presumption of a non-market economy can be rebutted if the exporter(s) from China PR provides information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) in Paragraph 8 and prove to the contrary. The cooperating exporters/producers of the subject goods from China PR are required to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in response to the Market Economy Treatment questionnaire to enable the Designated Authority to consider the following criteria as to whether:-
 - a. The decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;
 - b. The production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;
 - c. Such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms; and
 - d. The exchange rate conversions are carried out at the market rate.

15. Para 7 of Annexure I of the Anti-dumping Rules provides that:

“In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated Authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.”

16. None of the exporters/ producers from China PR has responded to the questionnaire pertaining to market economy status and to the exporters' questionnaire, consequent upon the initiation notice issued by the Authority and rebutted the non-market economy presumption.
17. In view of the fact that none of the producers/exporters has filed any exporter's questionnaire including MET questionnaire, MET status has not been accorded to Chinese producers. Further, none of the interested parties, including the domestic industry, has made available any material fact to the Authority to select an appropriate market economy third country. The Authority has, therefore, determined the normal value in respect of China PR on other reasonable basis, in terms of second proviso of Para 7 of Annexure 1 to the Rules.
18. Accordingly, the ex-works Normal Value of the product under consideration for all exporters from China PR has been constructed based on facts available and the Authority has determined the normal value in respect of China PR on “any other reasonable basis”, in terms of second proviso of Para 7 of Annexure 1 to the Rules. Normal value at ex-factory level in respect of China PR is determined on the basis of constructed cost on month-wise basis keeping in view increase in the price of raw material. The normal value has been constructed on the basis of cost of production of the most efficient domestic producer by adopting international prices of the raw materials and allowing reasonable profit margin. The weighted average constructed normal value so determined is shown in the Dumping Margin Table below.

E.4 Determination of Normal Value for producers and exporters in UAE

19. The Authority notes that no questionnaire response has been filed by any producer/exporter from UAE. Therefore, the Authority is constrained to determine the Normal Value in respect of UAE as per facts available in terms of Rule 6(8) of the Anti-dumping Rules. Accordingly, Normal value at ex-factory

level in respect of UAE is determined on the basis of constructed cost on month-wise basis keeping in view increase in the price of raw material. The normal value has been constructed on the basis of cost of production of the most efficient domestic producer by adopting international prices of the raw materials and allowing reasonable profit margin. The weighted average normal value so determined is shown in the Dumping Margin Table below.

E.5 Determination of Export Price for producers and exporters in China PR

20. Since none of the exporters from China PR has responded to the Authority, the Authority has determined the export price in respect of imports from China PR on the basis of best information available in accordance with Rule 6(8) of the AD Rules. The petitioners have determined export price on the basis of imports of the product under consideration in India, as reported by IBIS, the data supplying agency. The Authority has also procured the transaction wise import data from the DGCI&S. It is seen that the prices of imports reported by both DGCI&S and IBIS are comparable. However, the volume of imports reported in DGCI&S is higher. The Authority has considered the data received from DGCI&S and determined the export price considering all imports of the product under consideration in India. Price adjustments have been made on the basis of claims made by applicant domestic industry in view of non cooperation from the exporters from China PR. Price adjustments have been made to account for ocean freight, marine insurance, bank charges, VAT, commission, port expenses and inland freight expenses before arriving at export price at ex-factory level. The ex-factory export price so determined is shown in the Dumping Margin Table below.

E.6 Determination of Export Price for producers and exporters in UAE

21. Since none of the exporters from UAE has responded to the Authority, the Authority has determined the export price in respect of imports from UAE on the basis of best information available in accordance with Rule 6(8) of the AD Rules. The applicants have determined export price on the basis of imports of the product under consideration in India, as reported by IBIS, the data supplying agency. The Designated Authority has also got the transaction wise import data from the DGCI&S. It is seen that the prices of imports reported by both DGCI&S and IBIS are comparable. However, the volume of imports reported in DGCI&S is higher. The Authority has considered the data received from DGCI&S and determined the export price considering all imports of the product under consideration in India. Price adjustments have been made on the basis of claims made by the applicant domestic industry in view of non cooperation from the exporters from UAE. Price adjustments have been made to account for ocean freight, marine insurance, bank charges, commission, port expenses and inland freight expenses before arriving at export price at ex-factory level. The ex-factory export price so determined is shown in the Dumping Margin Table below.

E.7 DUMPING MARGIN

22. Considering the normal values and export prices as determined above, the proposed dumping margin has been determined as follows. It is seen that the dumping margins are more than de-minimis and significant.

Dumping Margin Table

Parameters	Unit	China PR	UAE
Normal Value	US\$/MT	****	****
Export Price	US\$/MT	****	****
Dumping Margin	US\$/MT	****	****
Dumping Margin %	US\$/MT	****	****
Dumping Margin %	%	5-15	5-15

Calculated on Monthly basis

F. ASSESSMENT OF INJURY AND EXAMINATION OF CAUSAL LINK

F.1 Views of the Domestic Industry

23. The domestic industry has submitted that:

- (i) Imports of the product under consideration from the subject countries increased in absolute term and in relation to production and consumption in India over the injury period.
- (ii) Imports from the subject countries are undercutting the prices of the domestic industry to a significant extent.
- (iii) Imports from the subject countries are suppressing the prices of the domestic industry and preventing the price increases that would have occurred in the absence of dumping.
- (iv) Performance of the domestic industry has steeply deteriorated in terms of production, domestic sale, capacity utilization, inventories, market share, profits, return on investments, cash flow, and has reached negative levels.
- (v) Performance of the domestic industry was sub-optimal in respect of production and domestic sales.
- (vi) Dumping margin is significant.
- (vii) The factors affecting the prices of the domestic industry are import prices from the dumped sources. Thus, the price suppression is due to dumping of the product in the market.
- (viii) In addition to dumped imports from the subject countries, imports from existing sources attracting anti dumping duty are also causing injury.

- (ix) Growth of the domestic industry is adverse in terms of a number of parameters.

F.2 Views of the Other Interested Parties

24. The Ministry of Economy, UAE, has made the following submissions with respect to injury and causal link:
- a) Designated Authority is under a Due Process Obligation to provide full opportunities for UAE to defend its rights.
 - b) Designated Authority must show that injury to the domestic like product is caused due to dumped products. Non confidential data shows a decrease in 2013 in absolute terms by 12% (1,239 MT in 2013 instead of 1,439 MT in 2012) and relative to domestic industry production by 1% as well as in relation to consumption of product under investigation by 1%. Therefore, it is unlikely that any other significant effect of import from subject countries on relevant economic factors and indices having bearing on state of domestic industry will be attributed to imports from the subject countries.
 - c) UAE believes injury to the concerned domestic product has not been caused by imports from subject countries but other factors.
 - d) During 2011-12 time frame in which volume increased from 331MT to 1,088 MT, the domestic industry ameliorated its performance in terms of capacity, production, employment, wages and domestic sales.
 - e) There is significant increase in imports from countries attracting anti-dumping duties, which is causing the alleged injury to domestic industry. Iran, Russia and Kingdom of Saudi Arabia, although facing duties on Hexamine, have increased their exports in absolute terms by 77.5% and relative to domestic industry production by 4%.
 - f) Market share of imports from countries attracting anti-dumping duties increased from 3.7% in 2012 to 7% in 2013 and for imports of product under investigation increased from 27% to 42% in 2013.
 - g) Contraction in demand is causing the alleged injury to the domestic industry. POI data shows a decline in demand by 5.2% falling from 13,780 MT to 13,060 MT.
 - h) Designated Authority is under WTO obligation to base its findings on positive evidence and involve an objective examination.

Post second oral hearing submissions

25. The post second oral hearing written submissions have been submitted only by the domestic industry and are repetitive, i.e., imports of the product under consideration from the subject countries increased over the injury period; the imports are undercutting and suppressing the prices of the domestic industry; performance of the domestic industry has steeply deteriorated in terms of production, domestic sales, capacity utilization, market share, profits, return on investments, cash flow etc.

Examination by the Authority

26. The Authority notes that the submissions of the domestic industry are repetitive and have been dealt in this Disclosure Statement at relevant headings.

F.3 Cumulative assessment

27. Annexure II para (iii) of the AD Rules which provides that in case imports of a product from more than one country are being simultaneously subjected to anti dumping investigation, the Designated Authority will cumulatively assess the effect of such imports, in case it determines that: -

- a) the margin of dumping established in relation to the imports from each country is more than two per cent expressed as percentage of export price and the volume of the imports from each country is three per cent of the import of like article or where the export of individual countries is less than three per cent, the imports collectively accounts for more than seven per cent of the import of like article, and
- b) Cumulative assessment of the effect of imports is appropriate in the light of the conditions of competition between the imported article and the like domestic articles.

28. In this regard, the Authority notes that:

- (i) The margins of dumping from each of the subject countries are more than the limits prescribed above;
- (ii) The volume of imports from each of the subject country is more than the limits prescribed above;
- (iii) Cumulative assessment of the effects of imports is appropriate since the exports from the subject countries directly compete with the like articles offered by the domestic industry in the Indian market.

F.4 Examination by the Authority

29. In consideration of various submissions made by the domestic industry and other opposing interested party in this regard, the Authority proceeds to examine the current injury, if any, to the domestic industry.
30. Rule 11 of Antidumping Rules read with Annexure–II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles....” In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.
31. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as

production, capacity utilization, sales volume, stock, profitability, net sales realization, magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Rules supra.

32. With regard to various contentions raised by the other interested parties, the Authority notes as follows:
- (i) The Authority considers that it is under due process obligation to provide full opportunities for UAE to defend its rights. The Authority notes that all due process obligation under the Indian Rules and WTO obligations have been fully complied with in the present investigation. The Authority also notes that none of the UAE producer/exporter has cooperated with the Authority by filing questionnaire response.
 - (ii) As regards the argument that it is to be proved that injury to the domestic industry must be from dumped imports from UAE and imports of the product declined from UAE in absolute terms and in relation to production and consumption in India, the Authority notes that the injury analysis has been carried out cumulatively in respect of imports from China and UAE. It has not been contended by any party that cumulative assessment of injury to the domestic industry is inappropriate in the present case. Further, the Authority has considered 2010-11, 2011-12, 2012-13 and the POI as the injury period in the present case and, therefore, any analysis must be carried out by considering the injury investigation period. It would not be appropriate to selectively compare the POI with immediate preceding year.
 - (iii) As regards the contention that injury to the domestic industry is because of other factors and not because of dumped imports, the Authority has examined the other factors listed under the law. The Authority has not come across any other factor which could have caused injury to the domestic industry at the same time, nor any interested party has established existence of any other factor that could have caused injury to the domestic industry.
 - (iv) As regards the contention that domestic industry has suffered injury from dumped imports from other sources attracting anti dumping duty, the Authority notes that the injury from dumped imports from other sources is not required to be segregated under the Rules. The Indian Rules and WTO Agreement clearly require the Designated Authority to segregate injury suffered by the domestic industry from the volume and price of undumped imports.
 - (v) As regards the contention that the Authority is under WTO obligation to base its findings on positive evidence and involve an objective examination, the Authority notes that WTO obligation has been duly complied with.
33. For the purpose of current injury analysis, the Authority has examined the volume and price effects of dumped imports of the subject goods on the domestic industry and its effect on the prices and profitability to examine the existence of injury and causal links between the dumping and injury, if any. The Authority has examined injury to the domestic industry by considering information relating to M/s Simalin Chemical Industries Pvt. Ltd. and M/s Kanoria

Chemicals & Industries Ltd., constituting domestic industry, under the Rules. Accordingly, the volume and price effect of dumped imports have been examined as follows:

A. Volume Effect of dumped imports and Impact on domestic Industry

a) Assessment of Demand and Market Share

34. The Authority has determined demand as the sum of domestic sales of Indian producers and imports of the subject goods in India from all sources. The demand so assessed can be seen in the table below:

Demand into India		2010-11	2011-12	2012-13	POI
Sales of Domestic Industry	MT	10,453	11,550	11,849	10,905
Imports- Subject Countries	MT	409	1,270	1,343	1,300
Imports-Countries attracting ADD	MT	727	600	575	1,108
Imports-Other Countries	MT	0	241	44	264
Total Demand	MT	11,589	13,661	13,811	13,577
Market Share:					
Domestic Industry	%	90.19%	84.55%	85.80%	80.32%
Subject Countries	%	3.53%	9.29%	9.72%	9.58%
Countries attracting ADD	%	6.28%	4.39%	4.16%	8.16%
Other Countries	%	0.00%	1.76%	0.32%	1.94%

**POI – October 2012-September 2013*

35. The Authority notes that the demand for the product concerned in the country has increased from the base year to the 2012-13 and then declined slightly in the POI. However, the demand in the POI has increased as compared to the base year. The sales of the domestic industry have also increased up to 2012-13 and then declined in the POI. Imports from the subject countries have also shown a similar trend.

36. It is seen from the table above that the market share of domestic industry has declined over the injury period, whereas that of imports from the subject countries as well as countries attracting anti dumping duty has increased as compared to base year.

b) Volume Effects of Dumped Imports: Import volumes and market shares

37. 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. Volume of

imports and imports in relation to production and consumption in India are given in the table below:

Particulars	Unit	2010-11	2011-12	2012-13	POI
Imports-China	MT	409	750	494	640
Imports-UAE	MT	0	520	849	660
Imports – Subject countries	MT	409	1,270	1,343	1,300
Imports –Countries attracting ADD	MT	727	600	575	1,108
Imports – Other countries	MT	0	241	44	264
Total Imports	MT	1,136	2,111	1,962	2,672
Share of imports from subject countries in relation to					
Total Imports	%	35.99%	60.15%	68.44%	48.65%
Consumption	%	3.53%	9.29%	9.72%	9.58%
Production	%	3.79%	10.03%	10.94%	11.02%

38. The Authority notes that:

- (i) Imports of the subject goods from UAE started in 2011-12 and remained significant over the injury period. Imports from China PR increased gradually over the injury period.
- (ii) Even though the volume of imports from the subject countries on cumulative basis declined in POI, the same is still quite significant and higher than the volume of imports in 2010-11 and 2011-12.
- (iii) The subject imports have increased not only in absolute terms but also in relation to production and consumption in India with a marginal decline in the POI.
- (iv) Even though the imports in relation to production and consumption declined in POI, the same is still quite significant and higher than the imports in relation to production and consumption in 2010-11 and 2011-12.
- (v) As regards the argument that since imports did not increase either in absolute terms or in relation to production or consumption and it is unlikely that any other significant effect of import from subject countries on relevant economic factors and indices having bearing on state of domestic industry will be attributed to imports from the subject countries, or the domestic industry ameliorated its performance in terms of capacity, production, employment, wages and domestic sales when imports from UAE have shown an increase, the Authority notes that overall performance of the domestic industry shows material deterioration over the injury period.

B. Price Effect of the Dumped imports on the Domestic Industry

a) Price Undercutting and Price Underselling

39. The impact on the prices of the domestic industry on account of imports of the subject goods from the subject countries has been examined with reference to price undercutting, price underselling, price suppression and price depression. For the purpose of this analysis, the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of subject goods of the domestic industry have been compared with landed value of imports from the subject country. A comparison for subject goods during the period of investigation was made between the landed value of dumped imports and the domestic selling price in the domestic market. In determining the net sales realization of the domestic industry, taxes, rebates, discounts and commission offered by the domestic industry have been adjusted. The price underselling is an important indicator of assessment of injury and, thus, the Authority has worked out a non-injurious price and compared the same with the landed value to arrive at the extent of price underselling. The non-injurious price has been evaluated for the domestic industry by appropriately considering the cost of production for the product under consideration during the POI. The position is as follows.

Price Undercutting

Particulars	Unit	2010-11	2011-12	2012-13	POI
Net Sales Realization	Rs/MT	****	****	****	****
Landed Value of Imports – China	Rs/MT	48,530	55,042	70,926	68,173
Landed Value of Imports – UAE	Rs/MT	0	52,629	65,076	57,671
Landed Value – Subject countries as a whole	Rs/MT	48,530	54,053	67,226	62,841
Price Undercutting – China	Rs/MT	****	****	****	****
Price Undercutting – UAE	Rs/MT	****	****	****	****
Price Undercutting – Subject countries as a whole	Rs/MT	****	****	****	****
Price Undercutting – China	%	****	****	****	****
Range	%	0-10%	5-15%	(0-10)%	0-10%
Price Undercutting – UAE	%	****	****	****	****
Range	%	-	10-20%	0-10	15-30%
Price Undercutting – Subject countries as a whole	%	****	****	****	****

Particulars	Unit	2010-11	2011-12	2012-13	POI
Range	%	0-10%	10-20%	0-10%	5-15%

Price Underselling

Particulars	Unit	China	UAE
Non-injurious Price	USD/MT	****	****
Landed Value of Imports	USD/MT	1,199.60	1,022.58
Price Underselling	USD MT	****	****
Price Underselling	%	****	****
Price Underselling Range	%	0-10	15-25

40. The Authority notes that price undercutting from both the subject countries is quite substantial. It is further noted that the landed value of imports from the subject countries is also substantially below the non-injurious price of the domestic industry, thereby, resulting in significant price underselling effect as would be seen from the price underselling level on weighted average basis which is calculated on month-wise basis keeping in view significant increase in the raw material prices, which has led to significant increase in the associated costs and prices of the product.

b) Price Suppression and Depression

41. To examine the price suppression and depression effects of the dumped imports on the domestic prices, the trend of net sales realization of the domestic industry has been compared with the cost of sales. The data shows that the domestic industry's selling price has remained below its cost of sales from 2011 onwards till the POI, signifying existence of price suppression effect. The trends in this regard are summarized below:

Particulars	Unit	2010-11	2011-12	2012-13	POI
Net Selling Price	Rs./MT	****	****	****	****
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>121</i>	<i>135</i>	<i>139</i>
Cost of Sales	Rs./MT	****	****	****	****
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>141</i>	<i>154</i>	<i>163</i>
Landed Value of Imports					
China	Rs./MT	48,530	55,042	70,926	68,173
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>113</i>	<i>146</i>	<i>140</i>
UAE	Rs./MT	0	52,629	65,076	57,671
<i>Trend</i>	<i>Indexed</i>	<i>-</i>	<i>100</i>	<i>124</i>	<i>110</i>

42. The Authority notes that the selling price has increased throughout the injury period. However, the increase is not proportionate to the increase in the cost of sales over the same period. The petitioners have claimed that there has been significant increase in the raw material cost which has led to significant increase in the cost of production over the injury period. Further, the selling price of the domestic industry was below the cost of sales from 2011-12 onwards till the POI. The landed value of imports from the subject countries during the injury period has also increased in comparison to the base year. However, the increase in landed value is lower than the increase in the cost of sales and the selling price. Further, the landed value of imports is below the cost of sales in 2011-12, 2012-13 and the POI. Thus, it is noted that dumped imports are suppressing the domestic prices of domestic industry.

C. Impact on Economic Parameters of the Domestic Industry

43. 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.

44. Various injury parameters relating to the domestic industry are discussed herein below.

a) Capacity, Production, Capacity Utilization and Sales

45. The information on capacity, production, capacity utilization and sales volumes of the domestic industry is as under.

Particulars	Unit	2010-11	2011-12	2012-13	POI
Capacity	MT	10,800	17,600	17,600	17,600
Production	MT	10,779	12,660	12,273	11,800
Capacity Utilization	%	99.80%	71.93%	69.73%	67.04%
Domestic Sales	MT	10,453	11,550	11,849	10,905
Demand	MT	11,589	13,661	13,810	13,577

46. The Authority notes that the domestic industry increased its installed capacity for the production of the product concerned in 2011-12. The production of the domestic industry has increased till 2011-12, and then declined in 2012-13 and POI. It is noted that despite addition of capacities, the domestic sales volumes have declined in the POI. Further, the capacity utilization of the domestic

industry declined over the injury period. Thus, production, domestic sales volumes and capacity utilization have declined in the POI.

47. The petitioners have claimed that the domestic industry could have achieved capacity utilization levels in the POI as were achieved in the past. The volume of production achieved by the domestic industry was lower than what the domestic industry could have produced had there not been dumped imports. Thus, the imports are clearly showing adverse volume effect.
48. The petitioners further claimed that considering the demand for the product under consideration and capacities with the domestic industry, there was no need for any imports in the country and the domestic industry could have met entire demand in the market. However, the foreign producers resorted to dumping, which has caused injury to the domestic industry.

b) Profits, Return on Capital Employed and Cash Profit

49. The profits, return on investment and cash flow of the domestic industry have been examined as under:

Particulars	Unit	2010-11	2011-12	2012-13	POI
Cost of Sales	Rs./MT	****	****	****	****
<i>Trend</i>	<i>Indexed</i>	100	141	154	163
Selling Price	Rs./MT	****	****	****	****
<i>Trend</i>	<i>Indexed</i>	100	123	135	141
Profit/Loss (per unit)	Rs./MT	****	****	****	****
<i>Trend</i>	<i>Indexed</i>	100	-62	-55	-77
Profit/loss total	Rs. Lacs	****	****	****	****
<i>Trend</i>	<i>Indexed</i>	100	-69	-62	-80
Profit before interest	Rs. Lacs	****	****	****	****
<i>Trend</i>	<i>Indexed</i>	100	-47	-37	-49
Cash Profit	Rs. Lacs	****	****	****	****
<i>Trend</i>	<i>Indexed</i>	100	-52	-45	-61
Return on Investment	%	****	****	****	****
Range	%	100	-27	-19	-24

50. The Authority notes from the above that:

- (i) Both the selling price and cost of sales of the domestic industry have increased over the injury period. However, the increase in selling price was less than increase in costs. This has led to significant decline in profitability and eventually to a situation of financial losses since 2011-12.
- (ii) Profit before interest, cash profit and return on investment have declined significantly over the injury period and follow the same trend as that of profits.
- (iii) The petitioners have claimed that with continuous presence of dumped imports in the Indian market, the domestic industry, in order to survive in the

market, was left with no option but to sell the goods at prices below cost. The domestic industry was prevented from raising its prices in proportion to increase in costs.

- (iv) It is noted from the above information that the domestic industry has been suffering injury in terms of profit-related parameters. The position of the industry with respect to these parameters has deteriorated substantially in the period of investigation.

c) Employment, Wages and Productivity

51. The status of employment levels and wages of the domestic industry has been as under:

Particulars	Unit	2010-11	2011-12	2012-13	POI
Employment	Nos.	****	****	****	****
<i>Trend</i>	<i>Indexed</i>	100	127	130	128
Wages	Rs. Lacs	****	****	****	****
<i>Trend</i>	<i>Indexed</i>	100	127	135	144
Wages per MT of production	Rs.	****	****	****	****
<i>Trend</i>	<i>Indexed</i>	100	108	118	132
Productivity per Employee	MT	****	****	****	****
<i>Trend</i>	<i>Indexed</i>	100	93	87	86

52. It is noted from the above that the number of employees has increased over the injury period. Productivity per employee has declined with decline in production. Further, the wage cost per unit has increased. The petitioners have claimed that given the fact that the constituents of the domestic industry are multi product companies, these parameters may not show current and potential adverse impact of dumping.

d) Inventories

53. The Authority has examined the inventory level of the domestic industry which is given in the following table.

Particulars	Unit	2010-11	2011-12	2012-13	POI
Average Inventory	MT	****	****	****	****
<i>Trend</i>	<i>Indexed</i>	100	203	317	439

54. It is noted from the above table that the average inventory in absolute term shows a rising trend. The average inventory has increased by more than four times during POI. The petitioners have claimed that this is in view of severe dumping from the present and existing sources.

e) Magnitude of Dumping

55. Magnitude of dumping as an indicator of the extent to which the dumped imports can cause injury to the domestic industry shows that the dumping margin

determined by the Authority against the subject countries is above *de minimis* and significant.

f) Ability to raise capital

56. The petitioners have argued that the constituents of the domestic industry are multi product companies. Ability to raise investments is reflective of overall business operations and is not dependent on particular product performance.

g) Growth

57. With regard to the growth of the domestic industry, the position is as under:

Growth (Year by Year)		2010-11	2011-12	2012-13	POI
Production Volume	%	-	17.45	-3.06	-3.85
Domestic Sales Volume	%	-	10.50	2.59	-7.97
Profit/Loss	%	-	-162.31	-11.90	-39.46
Return on Capital Employed	%	-	****	****	****
Market Share	%		-5.64%	1.25%	-5.48%

58. The Authority notes that the domestic industry has registered a negative growth in terms of volume as well as price parameters such as production, sales volume, cash profit and return on investments. The profitability has declined as can be seen from parameters such as profits, cash profits and return on investments. Further, capacity utilization, market share and inventory level shows negative growth. Overall growth of the domestic industry over the injury period was adverse.

h) Factors Affecting Domestic Prices

59. The examination of the import prices from the subject countries and other countries, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market shows that the landed value of imported material from the subject countries is below the selling price and the non-injurious price of the domestic industry, causing significant price undercutting as well as price underselling in the Indian market. It is also noted that the demand for the subject goods was showing significant increase during the POI and, therefore, it could not have been a factor affecting domestic prices. Thus, the principal factor affecting the domestic prices is landed value of subject goods from the subject countries and other dumping countries.

60. It is noted from the information provided by the applicants that the cost of sales increased by 63% during the POI as compared to base year. Further, the raw material cost alone has increased by 60% in the POI as compared to base year. However, the export price from UAE increased by only 11% during POI as

compared to 2011-12, as there were no imports from UAE in the base year. Further, the export price from China increased by 39% during POI as compared to the base year.

Conclusion on injury

61. From the foregoing, it is concluded that imports of the product under consideration from the subject countries increased in absolute term and in relation to production and consumption in India over the injury period. Imports from the subject countries are undercutting the prices of the domestic industry to a significant extent. Imports from the subject countries are suppressing the prices of the domestic industry and preventing the price increases that would have occurred in the absence of dumping. Performance of the domestic industry has steeply deteriorated in terms of production, domestic sale, capacity utilization, inventories, market share, profits, return on investments, cash flow and has reached negative levels. Performance of the domestic industry was sub-optimal in respect of production and domestic sales. Dumping margin is significant. The factors affecting the prices of the domestic industry are import prices from the dumped sources. Thus, the price suppression is due to dumping of the product in the market. In addition to dumped imports from the subject countries, imports from existing sources attracting anti dumping duty are also causing injury. Growth of the domestic industry is adverse in terms of a number of parameters.
62. It is thus seen that there has been a significant increase in the dumped imports, both in absolute terms and relative to production or consumption in India. There has been a significant price undercutting by the dumped imports as compared with the price of like product in India and the effect of such dumped imports is to suppress prices to a significant degree and prevent price increases which otherwise would have occurred to a significant degree. Consequent impact of the dumped imports on the domestic industry was adverse as established by collective and cumulative assessment of various relevant economic factors and indices such as sales, profits, production, market share, productivity, return on investments, utilization of capacity, factors affecting domestic prices, magnitude of the margin of dumping, cash profit (cash flow), inventories, employment, wages, growth and the ability to raise capital investments. It is, thus, proposed to conclude that the domestic industry has suffered material injury as a result of dumping from China and UAE coupled with dumping from existing sources.

F.5 Other Known Factors and Causal Link

63. The Authority has examined whether other known factors could have caused injury to the domestic industry as follows:

(a) Contraction in demand and / or change in the pattern of consumption

64. The Authority notes that demand for the product has grown over the injury period, except a slight decline in the POI. However, demand for the product under consideration has increased in the POI as compared to the base year. Hence, a decline in demand cannot be causing injury to the domestic industry. Further, the Authority has found no evidence of a change in the pattern of consumption of the product.
65. As regards the contention that demand for the product declined and has also caused injury to the domestic industry, the Authority notes that the overall demand for the product has shown an increase. Slight decline in demand in the POI as compared to immediate preceding year cannot be termed as decline in demand. Market share of subject countries increased from 3.53% to 9.58% over the injury period, whereas market share of the domestic industry declined from 90.19% to 80.32% over the injury period.

(b) Volume and Prices of imports not sold at dumped prices

66. The Authority notes that apart from the subject countries, imports of Hexamine are entering the country from Saudi Arabia and Russia (attracting anti dumping duty).

(c) Trade restrictive practices of and competition between foreign and domestic producers

67. The Authority notes that the subject goods are freely importable and there are no trade restrictive practices in the domestic market. Further there is no perceptible competition among the domestic producers, except that is obvious of a market economy. It is noted that there is a single market for the subject goods where dumped imports from the subject countries compete directly with the subject goods supplied by the domestic industry. It is also 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.

(d) Developments in Technology

68. The Authority notes that there are no developments in technology with respect to the product or its manufacture that could have resulted in the injury caused to the domestic industry.

(e) Export performance

69. The export performance of the DI is given in the Table below. However, information relating to injury has been examined separately for domestic operations to the extent possible and, therefore, export performance of the domestic industry is not a possible cause of the injury determined.

Particulars		2010-11	2011-12	2012-13	POI
Export Sales	MT	****	****	****	****

(f) Productivity of the domestic industry

70. The Authority notes that productivity of the domestic industry has declined because of the inability of the domestic industry to increase production as a result of dumping. Hence, a decline in productivity cannot be a direct cause for the injury suggested by the DI.

(g) Performance of other products

71. The Authority notes that the performance of other products being produced and sold by the domestic industry is not a possible cause of the injury found, since all parameters were examined with respect to the product under consideration.

72. The Authority notes that while the known other factors listed above do not appear to have caused the injury determined, the following parameters show that injury to the domestic industry has been caused by the dumped imports.

- (i) The dumped imports from the subject countries have entered the Indian market in significant volume and increased over the injury period.
- (ii) Subject imports are available at prices lower than domestic prices. Consequently, the consumers are increasingly switching over to imports, thus, forcing the domestic industry to offer sub-optimal prices. There has been substantial price undercutting from the imports from China PR and UAE.
- (iii) Domestic sales have not been able to keep pace with the demand and the domestic industry has been losing out on its market share.
- (iv) The imports are occurring at dumped prices and are undercutting the prices of the domestic industry. Consequently, the domestic industry has suffered injury on account of profits, return on investment and cash flow.
- (v) The domestic industry is faced with price suppression in the market due to dumped imports.

F.6 Conclusion on Injury and Causation

73. The Authority notes that there has been an increase in the volume of dumped imports from the subject countries in absolute terms and relative to apparent consumption and production in India. Production and sales volume of the domestic industry have declined over the injury period. Profit-related parameters of the domestic industry have all been significantly adverse. The level of inventories has been significantly high in the POI.

74. The Authority notes that the domestic industry was suffering injury on account of dumping of the subject goods from other countries even before imports from China and UAE commenced. There have been investigations conducted and anti dumping duties imposed on these imports. However, due to the price

undercutting and price suppression specifically found in this investigation, it is clear that imports from the subject countries are also causing injury to the domestic industry in addition to the other existing sources.

F. 7 Magnitude of injury and injury margin

75. The Authority has determined non-injurious price for the domestic industry, taking into consideration the 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 from the subject countries to determine injury margin. The injury margin has been worked out as follows:

Injury Margin

Particular	Unit	China	UAE
Non Injurious Price (NIP)	US \$ /MT	****	****
Landed Value	US \$ /MT	1,199.60	1,022.58
Injury Margin	US \$ /MT	****	****
Injury Margin %	%	****	****
Injury Margin Range		0-10	15-25

76. The level of injury margins, as proposed to be determined, are considered significant.

G. POST DISCLOSURE STATEMENT SUBMISSIONS BY THE INTERESTED PARTIES

G.1 Post Disclosure Statement submissions by the opposing Interested Parties

77. None of the exporters/importers/users and other opposing interested parties has made any post Disclosure Statement submissions.

G.2 Post Disclosure Statement submissions by the Domestic Industry

78. Following are in brief the post Disclosure Statement submissions made by the domestic industry:

- (a) Product under consideration is exported to India below its normal value resulting in dumping from the subject countries.
- (b) Both dumping margin and injury margin in the Period of Investigation are significant and positive from the subject countries.

- (c) Domestic Industry has suffered material injury.
- (d) The anti dumping duty is required to be imposed definitively in fixed form and the duty expressed in US\$ terms.

G.3 Examination by the Authority

79. The Authority has reached to the conclusion that the above arguments of the domestic industry are repetitive and have already been dealt with by the Authority in the Disclosure Statement earlier and have also been dealt with again in the Final Findings Notification under appropriate headings.

H. CONCLUSION

80. The Authority notes that none of exporters from China PR and UAE and importers/users and other opposing interested parties in India filed Questionnaire response. However, legal submissions have been submitted by the Ministry of Economy, UAE. Having regard to the contentions raised, information provided and submissions made by the domestic industry and the Ministry of Economy, UAE and facts available before the Authority and on the basis of above analysis and post Disclosure Statement submissions made by the Domestic Industry, the Authority concludes that:

- (a) Both dumping margin and injury margin in the Period of Investigation are significant and positive from the subject countries.
- (b) Domestic Industry has suffered material injury.

I. RECOMMENDATION

81. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide positive information on the aspects of dumping, injury and causal link. Having initiated and conducted investigation into dumping, injury and causal link thereof and having established positive dumping margins as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that imposition of definitive anti dumping duty is required to offset dumping and consequent injury. Therefore, the Authority considers it necessary to recommend imposition of definitive anti-dumping duty on imports of the subject goods from the subject countries in the form and manner described hereunder.

82. 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 the margin of dumping and the margin of injury, so as to remove the injury to the

domestic industry. Accordingly, definitive antidumping duty as per amount specified in the table below is recommended to be imposed from the date of the Notification to be issued by the Central Government, on all imports of the subject goods originating in or exported from the subject country.

Duty Table

S. No	Heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Duty amount	Unit of measurement	Currency
1	2921.29.10	Hexamine	China PR	China PR	Any	Any	84.25	MT	US\$
2	2921.29.10	Hexamine	China PR	Any other than China PR	Any	Any	84.25	MT	US\$
3	2921.29.10	Hexamine	Any other than subject countries	China PR	Any	Any	84.25	MT	US\$
4	2921.29.10	Hexamine	UAE	UAE	Any	Any	113.05	MT	US\$
5	2921.29.10	Hexamine	UAE	Any other than UAE	Any	Any	113.05	MT	US\$
6	2921.29.10	Hexamine	Any other than subject countries	UAE	Any	Any	113.05	MT	US\$

Explanation: Where there is overlapping of antidumping duty on the subject goods with respect to a subject country in different customs notifications, the duty applicable to that subject country shall be the one imposed under the customs notification in which the said country has been specifically mentioned under the Column "Country of Origin."

83. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 3A, 8B, 9 and 9A of the said Act.

84. An appeal against the order of the Central Government shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

(A.K Bhalla)

Designated Authority