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F. No. 7/12/2022-DGTR
Government of India, Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building,
5, Parliament Street, New Delhi- I10001

Dated: 20th December, 2022

(Case No. AD (SSR)-04/2022)

FINAL FINDING

Subject: Sunset review investigation of anti-dumping duty on the imports of Monoisopropylamine originating in or exported from China PR.

F. No. 7/12/2022 – DGTR - Having regard to the Customs Tariff Act 1975, as amended from time to time (hereinafter also referred to as the 'Act') and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995 thereof, as amended from time to time (hereinafter also referred to as 'the Rules' or 'AD Rules') thereof –

The Designated Authority (hereinafter referred to as “Authority”) received an application from Alkyl Amines Chemicals Limited (hereinafter referred to as the ‘applicant’ or the ‘domestic industry’) seeking initiation of a sunset review for extension of the anti-dumping duty imposed on imports of Monoisopropylamine (hereinafter to be referred to as “MIPA” or the ‘subject goods’ or the ‘product under consideration’ or the ‘PUC’), originating in or exported from China PR (hereinafter referred to as the ‘subject country’).

A. BACKGROUND OF THE CASE

1. The original anti-dumping investigation concerning the imports of the subject goods from the subject country was initiated by the Authority vide Notification No. 14/10/2016-DGAD dated 15th February 2017. The final findings in the impugned original investigation was issued vide notification No. 14/46/2016 - DGAD dated 12th February 2018 recommending imposition of definitive anti-dumping duties on imports of the subject goods from the subject country. The definite anti-dumping duties were imposed vide Notification No. 14/2018 - Cus (ADD), dated 21st March 2018. The said duties were levied for a period of 5 years and are set to expire on 20th March 2023.
2. In terms of Section 9A (5) of the Act, any anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition. The Authority is required to review whether the expiry of anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury.

3. Further, Rule 23(1B) of the Rules provides as follows:

1. *"any definitive antidumping duty levied under the Act, shall be effective for a period not exceeding five years from the date of its imposition, unless the designated authority comes to a conclusion, on a review initiated before that period on its own initiative or upon a duly substantiated request made by or on behalf of the domestic industry, within a reasonable period of time prior to the expiry of that period, that the expiry of the said anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry"*

4. In accordance with the above, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry, as to whether the expiry of existing anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury.

5. The Authority, on the basis of prima facie evidence submitted by the applicant, issued a public notice vide Notification No F. No. 7/12/2022- DGTR dated 15th September 2022 published in the Gazette of India, Extraordinary, initiating the subject investigation in accordance with Section 9A(5) of the Act read with Rule 23 of the Rules to review the need for continued imposition of the anti-dumping duties in force 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.

6. The scope of the present review covers all aspects of the Final Finding No. 14/46/2016 - DGAD dated 12th February 2018, and Notification No. 14/2018 – Cus (ADD), dated 21st March 2018.

B. PROCEDURE

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

- a. The Authority notified the Embassy of the subject country in India about the receipt of the anti-dumping application before proceeding to initiate the investigation in accordance with Rule 5(5) of the AD Rules.
- b. The Authority issued a public notice dated 15th September 2022 published in the Gazette of India Extraordinary, initiating an anti-dumping investigation concerning the import of the subject goods from the subject country.
- c. The Authority sent a copy of the initiation notification to the Embassy of the subject country in India, the known producers and exporters from the subject country, the known importers/users and the domestic industry as per the available information. The interested parties were advised to provide relevant information in the form and manner prescribed and to make their submissions known in writing within the prescribed time-limit.

- d. The Authority also provided a copy of the non-confidential version of the application to the known producers/exporters and to the Embassy of the subject country in India in accordance with Rule 6(3) of the AD Rules.
- e. The Embassy of the subject country in India was also requested to advise the exporters/producers from their country to respond to the questionnaires issued by the Authority within the prescribed time limit. A copy of the letter and questionnaire was also sent to the producers/exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject country.
- f. The Authority sent exporter's questionnaires to the following known producers/exporters in the subject country in accordance with Rule 6(4) of the Rules: -
 - i. Taizhou Jianye Chemical Co. Ltd.
 - ii. Zhejiang Xinhua Chemical Co. Ltd.
 - iii. Dezhou Detian Chemical Co. Ltd
 - iv. Taizhou Jianye Chemical Co. Ltd.
 - v. Anhui Haoyuan Chemical Group Co. Ltd.
- g. None of the producers/exporters from the subject country have responded or filed the exporter questionnaire response issued by the Authority.
- h. The Authority sent questionnaires to the following known importers/users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules: -
 - i. Krishna Solvechem Ltd
 - ii. OC Specialities Pvt. Ltd
 - iii. K Rasiklal Exim Pvt Ltd
 - iv. Nutron Pharmaceuticals Pvt. Ltd
 - v. Medi Pharma Drug House
 - vi. Venus International
 - vii. Agro Life Science Corporation
 - viii. Chemo India
 - ix. Orion Chem Pvt. Ltd.
 - x. Leo Chemplast Pvt. Ltd
 - xi. Ketan Chemical Corporation
 - xii. Ratnachand & Company
 - xiii. TASC Chemical Industries Pvt. Ltd.
 - xiv. Lakshmi Saras Chem Tech Pvt. Ltd.
 - xv. Koprana Research Laboratories Ltd.
 - xvi. Coromandel International Ltd.
 - xvii. Insecticides India Ltd
 - xviii. Atul Limited
 - xix. Fleming Laboratories Ltd.
 - xx. Excel Crop Care Ltd.
 - xxi. Verdant Life Sciences Pvt. Ltd.
 - xxii. Jai shree Rasayan Udyog Ltd.

- xxiii. Polydrug Laboratories Pvt. Ltd.
- xxiv. CTX Life Sciences Pvt. Ltd.
- xxv. IPCA Laboratories Limited
- xxvi. HPM Chemicals and Fertilizers Limited
- xxvii. Malladi Drugs & Pharmaceuticals Limited
- xxviii. Meghmani Organics Ltd.
- xxix. Amri India Pvt. Ltd
- xxx. Crystal Crop Protection Pvt. Ltd.
- xxxi. Heranba Industries Ltd.
- xxxii. Sangrose Laboratories Pvt. Ltd.
- xxxiii. Agrow Allied Ventures Private Limited
- i. The following users have filed the user questionnaire response: -
 - i. Meghmani Industries Ltd.
 - ii. Sumitomo Chemical India Ltd.
- j. Additionally, Insecticides India Limited, Crop Care Federation of India and Agro Chem Federation of India have filed submissions.
- k. The Authority made available the non-confidential version of the information submitted by all interested parties in the form of an e-file through e-mail to all the interested parties.
- l. Since the transaction-wise details of import data could not be provided by the Directorate General of Commercial Intelligence and Statistics (DGCI&S), the Authority called upon DG Systems to provide transaction-wise details of imports of the subject goods for the injury period. The Authority carried out due examination of the transaction-wise data and has relied upon the DG Systems data for computation of the volume and value of the subject imports.
- m. Non-injurious Price (hereinafter referred to as 'NIP') has been determined based on the cost of production and reasonable profits of the subject goods in India, based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the AD Rules so as to ascertain whether an anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- n. The information/data submitted by the domestic industry has been verified to the extent deemed necessary and relied upon for the purpose of this final finding. Information was sought from the domestic industry and the other interested parties to the extent deemed necessary. The Authority also conducted physical verification at the premises of the domestic industry.
- o. The period of investigation for the purpose of the present review investigation is 1st April 2021 - 31st March 2022 (12 months). The injury examination period has been considered as the period from 2018-19, 2019-20, 2020-21 and the period of investigation.
- p. The Authority held an oral hearing on 10th November, 2022 to provide an opportunity to all the interested parties to present information orally in accordance with Rule 6(6) of the AD Rules. The parties, that presented their views in the oral hearing were requested to file written submissions of the views expressed orally,

followed by rejoinder submissions, if any. The parties shared their non-confidential submissions with all other interested parties and were advised to offer their rebuttals.

- q. The information provided by the interested parties on confidential basis was examined with regards to the sufficiency of such confidentiality claims. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to the 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.
- r. A disclosure statement containing the essential facts in this investigation which have formed the basis of the final findings was issued to the interested parties on 13.12.2022 and the interested parties were allowed time up to 19.12.2022 to comment on the same. The comments on disclosure statement received from the interested parties have been considered, to the extent found relevant, in this final finding notification.
- s. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the present final finding on the basis of the facts available.
- t. The Authority has considered all the arguments raised and information provided by all the interested parties to the extent the same are supported with evidence and considered relevant to the present investigation. The Authority will further examine the evidentiary documents submitted by the interested parties subsequent to the final finding, which will form the basis for conclusions at the time of final findings.
- u. The exchange rate adopted by the Authority for the subject investigation is 1 US \$= Rs75.37.
- v. ‘***’ in this final finding represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

C. PRODUCT UNDER CONSIDERATION (“PUC”) AND LIKE ARTICLE

- 8. The product under consideration is “Monoisopropylamine”, also known as MIPA. Monoisopropylamine is an organic compound, an amine. It is a base, as typical for amines. It is a hygroscopic colorless liquid with ammonia-like odor.

C.1 Submissions made by the other interested parties

- 9. The other interested parties have not made any submissions with respect to the scope of the PUC.

C.2 Submissions made by the applicant

- 10. The following submissions have been made by the domestic industry with respect to the PUC.

- a. Since the present investigation pertains to sunset review of the extant anti-dumping duties, the product under consideration remains the same as it was defined in the original investigation.
- b. No significant developments have taken place over the period.
- c. The product manufactured by the domestic industry continues to remain like article to the imported product.
- d. It is imported under Chapter 29, under sub heading 29211190 and 29211990 of the Customs Tariff Act, 1975.
- e. MIPA is produced in anhydrous (99.5%) form. Diluted form is obtained by adding water to anhydrous form which reduces the concentration of MIPA to 70%. It is commercially sold in both anhydrous form and dilute 70% form. The diluted form is not hazardous in nature and can be easily imported.

C.3 Examination by the Authority

11. The present investigation is a sunset review investigation and the scope of the product under consideration remains the same as defined in the original investigation. The product under consideration as defined in the original investigation is reproduced hereunder –

“6. The product under consideration is “Monoisopropylamine”, also known as MIPA. Monoisopropylamine is an organic compound, an amine. It is a base, as typical for amines. It is a hygroscopic colourless liquid with ammonia-like odor. Its melting point is -95.2°C and its boiling point is 32.4°C . It is miscible with water. It is extremely flammable, with flash point at -37°C . MIPA is produced in anhydrous (99.5%) form. Diluted form is obtained by adding water to anhydrous form where concentration level is reduced to desired level as per buyer’s requirement. It is commercially sold both in anhydrous form and aquatic form depending on the application or end use.

7. The main uses of the product under consideration are in glyphosate herbicide formulations, a key component of atrazine (another herbicide), a regulating agent for plastics, intermediate in organic synthesis of coating materials, plastics, pesticides, rubber chemicals, pharmaceuticals and others, and as an additive in the petroleum industry”

12. The product under consideration does not have a dedicated customs classification code and is imported under Chapter 29, under sub heading 29211190 and 29211990 of the Customs Tariff Act, 1975. Customs classification is indicative only and is in no way binding on the scope of the subject investigation.
13. The Authority notes that the subject goods produced by the domestic industry are comparable to the imported goods from the subject country in terms of chemical characteristics, product specifications, technical specifications, manufacturing process

and technology, functions and uses, pricing, distribution and marketing, and tariff classification of the goods. The two are technically and commercially interchangeable. Accordingly, the Authority concluded that the subject goods produced by the domestic industry are ‘like article’ to the subject goods being imported from the subject country in terms of Rule 2(d) of the Rules and the scope of the PUC remains the same as defined in the original investigation.

D. SCOPE OF DOMESTIC INDUSTRY AND STANDING

D.1 Submissions made by the other interested parties

14. The other interested parties have not made any submissions with respect to the scope of the domestic industry or its standing.

D.2 Submissions made by the applicant

15. The applicant has made the following submissions with regards to the scope of the domestic industry and its standing:

- a. The applicant is the sole producer of the subject goods in India.
- b. The applicant has neither imported the subject goods nor is it related to any exporter from the subject country or importer in India.
- c. The application satisfies the requirement laid down in the Rules.

D.3 Examination by the Authority

16. The application has been filed by Alkyl Amines Chemicals Limited. As per the information on record, the applicant is the sole producer of the subject goods in India. The applicant is neither related to any exporter or producer of the subject goods in the subject country nor to any importer of the subject goods in India either directly or indirectly within the meaning of Rule 2(b) of the Rules. Further, no submissions have been made by any interested party regarding the scope of the domestic industry. Therefore, the Authority holds that the applicant constitutes the ‘domestic industry’ as defined under Rule 2(b) of the Rules. Even though the standing requirements are not applicable to review investigations, the Authority concludes that the application satisfies the requirements of Rule 5(3) of the Rules.

E. MISCELLEANOUS SUBMISSIONS

E.1 Submissions made by other interested parties

17. The other interested parties have made the following submissions:

- a. The extension of duties in a sunset review investigation is of exceptional nature which requires extraordinary situations.
- b. The applicant has not disclosed the source of the import data.
- c. The import data submitted by the domestic industry is inconsistent with the data from reliable sources such as Trademap.
- d. The Authority is requested to rely only on DGCI&S data for the purpose of final determination and share it with the user industry.

- e. The applicant has failed to provide domestic sales quantity as well as sales under two separate heads as required under Trade Notice No. 10/2018.
- f. The applicant has not provided data pertaining to average industry norm for productivity, inventory, PBIT as % for capital employed in accordance with Trade Notice No. 10/2018.
- g. The applicant has failed to provide data related to R & D Expenses, funds raised, cost of sales per unit (exports) as per the Trade Notice No. 10/2018.
- h. The applicant has not provided NIP information as per the Trade Notice No. 10/2018.
- i. There is no requirement to initiate a sunset review, especially when a duly substantiated application to establish likelihood of continuation or recurrence of dumping and injury ¹has not been provided as laid down by the High Court of Delhi in *Kesoram Rayon v. Designated Authority*².
- j. Contrary to the claim of the domestic industry, there is no reason to compulsorily initiate a review investigation before the expiry of the extant anti-dumping duties.
- k. The applicant has stated that amines cannot be easily transported due to their hazardous nature and imports are not easy and people prefer to use locally manufactured amines at a reasonable cost.

E.2 Submissions by the domestic industry

18. The domestic industry has made the following submissions:
- a. The product is imported under several product descriptions such as monoisopropylamine, mono isopropylamine, mono iso propyl amine, isopropylamine etc. The Authority is requested to kindly consider the above descriptions as and when it procures the import data.
 - b. The volume of imports reported in the DG Systems data may be under reported not only with respect to subject imports from the United States of America, but also from the subject country.
 - c. The Authority is requested to kindly consider the DGCI&S transaction-wise data.
 - d. Crop Care Federation of India and Agro Chem Federation of India have not established that the association has been duly authorized by its members and the consumers of the product under consideration to represent themselves in the present investigation.
 - e. Agro Chem Federation of India has more than thirty-seven members and only Sumitomo Chemical Industries has participated. Similarly, Crop Care Federation of India has around forty members but only two of its members have participated.

E.3 Examination by the Authority

19. The present investigation was initiated by the Authority based on the data and information provided by the domestic industry, after *prima facie* satisfying itself that

¹ *infra* note 2 at p.78.

² 2017 SCC OnLine Del 11479.

there exists sufficient evidence of dumping and likelihood of injury. Further, subsequent to the initiation, information, to the extent deemed necessary, has been sought from the domestic industry and has been provided by the domestic industry.

20. Rule 7 of the Rules lays down the following with respect to confidential information:

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

(2) The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorize its disclosure in a generalized or summary form, it may disregard such information."

21. The Authority made available non-confidential versions of the information provided by the interested parties to all other interested parties.
22. As regards the claims of the interested party, the Authority notes that the information considered by the Authority for the purpose of injury or likelihood analysis has been provided by the domestic industry in the non-confidential version. Further, as regards the contention of industry norms, the same are not a part of the revised costing formats issued by the Authority. Therefore, the submission is not accepted.
23. The Authority examined the confidential information provided by the domestic industry and other interested parties as part of their submissions and responses for sufficiency of such claims in accordance with Rule 7 of the Rules. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential. With respect to claims related to providing information relating to NIP, it is noted that the same was provided in accordance with the relevant trade notice.
24. It is noted that all interested parties to the investigation had requested for consideration of DGCI&S transaction-wise data. Further, the interested parties have contended that the import data provided by the domestic industry is unreliable as the domestic industry has

failed to provide its source. The Authority notes that since DGCI&S transaction-wise data could not be provided, the Authority has based its examination on the basis of DG Systems data.

F. CONTINUATION OF DUMPING FROM SUBJECT COUNTRY- DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

F.1 Submissions by the other interested parties

25. The following submissions have been made by the other interested parties during the course of the investigation.
- a. Given the fact that the applicant is a multi-product company and the installed capacity can be used for other products as well, it is requested that the Authority kindly verify the cost allocation of the applicant and ensure that cost of other products do not impact the cost of the PUC.
 - b. With respect to the applicant's submissions regarding use of 'adverse facts', it is submitted that the concept of 'adverse facts' does not exist in WTO law.
 - c. In a recent Panel Report of United States – Anti Dumping and Countervailing Duties on Certain Products³, it was observed that in case of non – cooperation by an exporter, the investigating authority must only rely on such facts which 'reasonably replace the necessary information'.
 - d. Such information must be selected in an unbiased and objective manner. The information need not be favorable to the non – cooperating exporter, however, the information cannot punish non – cooperation.⁴

F.2 Submissions by the domestic industry

26. The following submissions have been made by the domestic industry during the course of the investigation.
- a. China PR should be treated as a non-market economy in accordance with Article 15(a)(i) of China's Accession Protocol and the normal value should be determined in terms of Annexure I, Rule 7 of the Rules.
 - b. None of the producers/exporters from China PR have participated in this review investigation. It is, therefore, requested that the Authority kindly apply adverse facts with respect to dumping margin and likelihood determination.
 - c. On 11th December 2016, only the provisions of Article 15(a)(ii) of China's Accession Protocol expired but that of Article 15(a)(i) continue to remain in force, which requires the producers/exporters from China PR to establish that they are operating under the market economy conditions.

³ Panel Report, United States – Anti Dumping and Countervailing Duties on Certain Products and the Use of Facts Available, Paras 7.28 – 7.32.

⁴ *ibid.*

- d. The Authority has considered China PR as a nonmarket economy in all the recent investigations unless the producers/exporters demonstrate that they are operating under the market economy conditions.
- e. The price lists or commercial invoices for sales in the local market of the country are commercially sensitive information and therefore not available in the public domain.
- f. Since none of the producers from China PR has participated, the claims of dumping are undisputed.
- g. There are significant imports from USA and therefore, normal value can be determined based on the export price from USA.
- h. The Authority had rejected the normal value based on USA's export price solely on the ground that volume of such imports is low. The consideration of DGCI&S data will depict a different volume of imports.
- i. The dumping margin in the year 2018-19 and 2019-20 was as high as 40 %- 50% (based on the normal value constructed on the basis of USA's export price).
- j. There is significant price variation in the prices of the product under consideration, sometimes as high as 36 %, within the same month.
- k. The producers from China PR are willing to ship to the Indian market at any price.
- l. There is significant difference in the import value declared at the time of import into India and the export value declared at China's ports at the time of export.
- m. The ocean freight during the period of investigation was significantly higher and request to consider the same in computation of export price.

F.3 Examination by the Authority

Normal value

27. According to Section 9A (1)(c) of the Act, 'normal value' in relation to an article means:

- (i) *the comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or*
- (ii) *when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-*

comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or (b) the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transshipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

28. Article 15 of China's Accession Protocol in WTO provides as follows: "Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

"(a) In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China PR based on the following rules:

(i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;

(ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China PR 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.

(b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China PR may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China PR.

(c) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.

(d) Once China PR has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China PR establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."

29. It is noted that while the provision contained in Article 15 (a) (ii) have expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO read with obligation under 15 (a) (i) of the Accession protocol require criterion stipulated in para 8 of the Annexure I of the Rules to be satisfied through the information/data to be provided in the supplementary questionnaire on claiming the market economy status.
30. As none of the producers from China PR have participated, the normal value has been determined in accordance with Para 7 of Annexure I to the Rules.
31. The applicant had at the stage of initiation of this review investigation proposed to determine the normal value on the basis of USA's export price of the subject goods to India by taking into account market field research. The applicant further supplemented the normal value on the basis of price payable in India based on the cost of production of the like article in India after addition for selling, general and administrative expenses, and reasonable profits.
32. The Authority has analyzed the data received from DG Systems and found the volume of imports from USA to be much lower than the volume reported by the applicant. Therefore, the Authority had at the stage of initiation considered the constructed normal value for China PR based on the estimates of cost of production of the domestic industry, with reasonable addition for selling, general & administrative expenses, and profits. The applicant has claimed that all the transactions of imports from the United States of America are not reflected in the DG Systems data and had requested to procure transaction-wise DGCI&S data. However, due to the non-availability of transaction-wise DGCI&S data, the Authority could not verify the claims of the applicant. The normal value has, therefore, been determined on the basis of cost of production of the domestic industry, with reasonable addition for selling, general and administrative expenses, and profits. The normal value for bulk and packed goods has been determined separately. The normal value so determined is shown below in the dumping margin table below.

Export price

33. In the absence of cooperation from any producers/exporters from China PR, the Authority has determined the net export price on the basis of DG systems data. Since this data is on CIF terms, adequate adjustments have been made to arrive at ex-factory level. The export price for bulk and packed goods has been determined separately. The weighted average ex-factory export price as determined, is shown in the dumping margin table below.

Dumping margin

34. Considering the normal value and the export price for the subject goods, the dumping margin for the subject goods from the subject country has been determined as follows:

SN	Particulars	Type	Normal value USD/MT	Export price USD/ MT	Dumping margin		
					USD/ MT	%	Range
1	Any producer	Bulk	***	***	***	***	20-30
		Packed	***	***	***	***	20-30
		Weighted Average	***	***	***	***	20-30

35. On the basis of above, it is noted that there is a continuation of dumping of the subject goods from the subject country.

G. LIKELIHOOD OF CONTINUATION OF INJURY - EXAMINATION OF INJURY AND CAUSAL LINK

G.1 Submissions made by other interested parties

36. The other interested parties have made the following submissions regarding injury and causal link:
- a. The applicant’s profitability has been impacted by depreciation and other capacity expansion costs. The addition of such costs has led to inflated cost of production which has consequently led to overstatement of the normal value and NIP.
 - b. The applicant has admitted to a decline in the volume of the subject imports from the subject country. The volume of imports has declined substantially in relation to production and consumption.
 - c. Domestic sales have increased more than the increase in the demand of the product. This indicates that the domestic industry was able to expand its market share despite an increase in imports from other countries.
 - d. Despite an increase in demand by 49 index points in 2020 – 21 (an increase of 27 index points in comparison to the previous year) and an increase of 1972% in imports from other countries, the volume of imports from China PR witnessed an increase of mere 5% as compared to the base year. It is also to be noted that the applicant’s plant was shut down twice in this period.

- e. Further, despite a fall in demand of the product under consideration in the POI as compared to the previous year, applicant's sales have increased by 36 index points as compared to the previous year and 61 index points when compared to the base year.
- f. The applicant has been selling the product under consideration at Rs. 1,65,640/MT to Rs. 1, 98, 768/MT and the NIP as per application is in the range of Rs. 1,50,000/MT to Rs. 1,70,000/MT. Therefore, the domestic industry is selling the like article at a non-injurious price, or is suffering negligible injury.
- g. There appears to be no correlation between the alleged price undercutting and the profitability of the domestic industry.
- h. The NSR per unit in the POI is same as the previous year, however, the domestic industry's profitability in the POI has shown tremendous jump as compared to the previous year.
- i. There is no price suppression as the domestic industry's NSR has moved in tandem with its cost of sales.
- j. The cost fluctuations for the applicant have been particularly erratic owing to high cost of raw materials, plant shut-downs in 2020-21, and high-capacity costs incurred on account of its expansion projects.
- k. There has been a steep increase in the domestic industry's production quantity, and a commensurate growth in the domestic sales.
- l. The loss in the market share of the domestic industry in the period of 2020-21 has been primarily due to the shutdowns put in place by the domestic industry.
- m. The injury period has seen a surge of imports of the product under consideration from third countries which has taken market share of the domestic industry.
- n. The market share of the subject imports from China PR is merely 9%, which cannot be considered to be a large portion of the domestic market share.
- o. The applicant has earned large profits in the POI and throughout the injury period. As admitted by the applicant, the loss suffered in 2020-21 was on account of the "lockdown imposed by the Government of India and unavailability of raw material".
- p. The Authority should assess whether the losses incurred by the applicant in 2020-21 can be ascribed to the performance of the PUC, or if losses incurred on account of other products have been allocated to the PUC.
- q. The Authority should examine the impact of the four expansion projects undertaken by the applicant on its profitability.
- r. The applicant has almost doubled its capital employed over the injury period. Due to the applicant's plans related to capacity expansion, its working capital requirements have increased to tend to the initial costs related to such expansion.
- s. Despite a doubled capital, the domestic industry has witnessed 221 % year-on-year growth in its ROCE.
- t. The applicant has admitted that it has witnessed a significant jump in its top line and operating margins on account of strong traction in its key products of amines, their derivatives and specialty chemicals.

- u. The applicant has plans to increase its capacity by INR 400 crore for aliphatic amines. The applicant also claims to have the largest plant for aliphatic amines in the world. The product under consideration is also an aliphatic amine.
- v. It has been admitted by the applicant in its annual report that its performance has been deeply impacted by the rise in raw material costs.
- w. The applicant's depreciation costs have clearly impacted its profitability.
- x. The applicant's decision to sell the like article at a lower price is clearly a business decision to attract market share and is not related to the subject imports.
- y. The landed price of the subject imports from the subject country is significantly higher than the applicant's selling price.
- z. The domestic industry has not established the causal link. A recommendation for continuation of duty must clearly establish a nexus between the 'expiry of the duty', on the one hand, and 'continuation or recurrence of dumping and injury', on the other hand, such that the former 'would be likely to lead to' the latter.
- aa. With respect to the applicant's argument regarding significant variance in price of the PUC, it is submitted that the product under consideration is a commodity goods and is subject to price fluctuations.

G.2 Submissions made by the domestic industry

37. The domestic industry has made the following submissions with respect to injury and causal link:
- a. Post the imposition of duties in March 2018, the applicant has been able to improve its performance in both price as well as volume front.
 - b. The disruptions caused by the outbreak of the COVID-19 pandemic affected the operations of the domestic industry in the year 2020-21.
 - c. The subject imports from the subject country are still entering into the Indian market at dumped and injurious prices which has adversely impacted the domestic industry's growth.
 - d. The market share of the dumped imports continues to remain significant.
 - e. The production, sales volume and capacity utilization parameters have improved after the imposition of the anti-dumping duties. However, the capacity utilization of the applicant is very low and it is still operating with significant idle capacities.
 - f. The volume of subject imports from China PR has declined only because of the extant anti-dumping duties.
 - g. Post the imposition of duties, the applicant was able to record profits in the years 2018-19 and 2019-20. The applicant suffered losses in the year 2020-21. The return earned by the applicant continues to remain low.
 - h. Average inventory of the applicant has increased throughout the injury period.
 - i. The landed price of the subject imports from the subject country is below the selling price of the applicant and price undercutting is positive.
 - j. The present profits earned by the applicant is because of the anti-dumping duty in place and the expiry of the anti-dumping duty would lead to a situation wherein the subject imports from the subject country would have a suppressing/depressing

- impact on it. The duty in force has ensured that the subject imports do not cause any suppressing or depressing effect on the prices of the applicant.
- k. The prices of the subject goods have varied significantly in a particular month to the extent of 36%. The users have no contractual agreements for fixed volume and fixed prices. The users import when they find the prices favorable.
 - l. A glaring proportion of the total subject imports (more than 85% and price excluding duty) were below the average selling price of the domestic industry resulting in a significant positive price undercutting of 18%.
 - m. The domestic industry has not been able to fetch prices even equivalent to its non-injurious price.
 - n. With respect to averments made by the other interested parties regarding capacity expansion, it is submitted that those expansions are related to the aliphatic amines plant which is a completely different product. It is clarified that the product under consideration cannot be manufactured on such plants.
 - o. None of the four expansions talked about in the annual report pertain to the product under consideration. Further, no cost on these accounts has been charged by the applicant.
 - p. With respect to the submission of other interested parties regarding the significant increase in profitability, the following is submitted that the 2020 - 21 period saw an increase in the raw material price and the applicant was forced to suspend production and hence suffered losses. The domestic industry's situation has improved in the POI as raw material prices and imports have declined because of which the applicant has been able to record a positive return. However, the applicant's situation continues to remain vulnerable.
 - q. The volume of subject imports from the non-subject countries are significantly below as compared to the subject country.
 - r. On one hand the interested parties have argued that the higher volume and low-priced imports from the subject country cannot cause injury but on the other hand, low volume but high price imports from non-subject countries can capture market share.

G.3 Examination by the Authority

38. Rule 11 of the Rules read with Annexure II provides that an injury determination shall involve an examination of factors that may indicate injury to the domestic industry, “.... *taking into account all the 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 the 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. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as

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

39. The Authority has taken note of the various submissions made by the domestic industry and the other interested parties on injury and causal link and has analyzed the same as per the evidence available on record.
40. It has been contended that the domestic industry has undertaken capacity expansion and therefore depreciation and interest cost will be higher. However, no evidence was placed on record by any of the interested parties to establish that the capacity expansion has been undertaken for the domestic like product. The Authority notes that during the physical verification it examined the claims of the interested party and it was found that the capacity expansion being undertaken is at the industry's Dahej Location for another the product which is not PUC. The domestic like product is not manufactured at this site. The Authority has also examined the cost of production claimed by the domestic industry and it is seen that no costs pertaining to either the Dahej location or the capacity expansion has been charged by the domestic industry.
41. The other interested parties have argued that the domestic industry has set up excessive capacities which have inflated its cost of production. The issue was raised with the domestic industry during the physical verification to which the domestic industry has submitted that the capacities were set up considering the growth in the Indian demand and the export market but the demand in the period of investigation has declined because of excess rainfall. Further, the domestic industry has also claimed third country dumping by the producers of China PR, which has affected its capability to compete in the export market in addition to the dumping of subject goods from China PR in the Indian market. Resultantly its capacity utilisation has remained low. The Authority also notes that it has examined the depreciation cost of the plant where the product under consideration is produced. It is seen that the cost on account of depreciation in the total cost of sales is insignificant.
42. The interested parties have submitted that the applicant has stated in its annual report that its performance is 'reasonably good'. The Authority notes that the applicant has clarified that the statements made are in relation to the amines division as a whole and not just the product under consideration. The applicant has also provided a comparison of revenue from operations and profit of the amines division with the product under consideration. It is seen that the profitability at the amines division level is reasonably good. However, it is to be noted that cost and profit pertaining to the product under consideration have been considered for the purpose of injury analysis.
43. As regards the performance in 2020-21, it has been clarified by the applicant that this period witnessed a shortage of raw materials as well as a significant increase in the prices of the raw materials. However, there was also significant rise in the volume of subject

imports from the subject country as well as the non-subject countries. The applicant was also forced to suspend its production during this period due to shortage of raw materials and has resultantly suffered losses.

44. With respect to the submissions regarding the correlation between the trend in import price/price undercutting and profitability situation of the domestic industry, it is noted that while price undercutting is a function of net selling price of the domestic industry and the import price, the profits are a function of net selling price of the domestic industry and the cost of sales. It is noted that the landed price of imports (excluding anti-dumping duty) has been continuously below the cost of sales and the selling price of the domestic industry.
45. It has been contended that the domestic industry has deliberately kept its prices low as the landed price including anti-dumping duty is significantly higher and the domestic industry could have charged higher prices. In this regard, the Authority has analysed the monthly imports price vis a vis prices of the domestic industry. It would be seen that there are variations in the import prices over the period. Further, the domestic industry was able to increase its profits due to anti-dumping duty in existence.
46. The Authority notes the several submissions made by the other interested parties on the improvement in performance of the domestic industry. While injury analysis made by the Authority *ipso facto* addresses the submissions, the domestic industry has admitted that its performance has improved because of the anti-dumping duty. Prior to the imposition of the anti-dumping duties, the market share of the domestic industry was significantly low and it was suffering losses. However, subsequent to the imposition of the anti -dumping duties, the domestic industry has been able to improve its market share and has recorded profits. The Authority has carried out a detailed examination of the economic parameters of the domestic industry, to assess current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury.

G.3.1 Assessment of Demand

47. The Authority has determined the demand or the apparent consumption of the product in India, as the sum of domestic sales of the sole Indian producer, and imports from all sources. The demand so assessed is given in the table below.

SN	Particulars	UOM	2018-19	2019-20	2020-21	POI
1	Domestic sales of applicant	MT	***	***	***	***
	Trend	Indexed	100	167	125	161
2	Import from subject country	MT	1,834	696	2,058	529
3	Import from other countries	MT	45	317	1,649	161
4	Total Demand	MT	***	***	***	***

	Trend	Index	100	123	153	113
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48. It is seen that the demand of the product under consideration increased till the year 2020-21 but declined in the POI. The domestic industry has submitted that MIPA-70% is used in manufacturing of glyphosate (herbicide) which is used to remove weeds. The demand for glyphosate is seasonal in nature and there was excess rainfall in the POI and flood like situation in several parts of India which led to the decline in demand for glyphosate and consequently, impacted the demand for the product under consideration as well.

G.3.2 Volume effect of dumped imports

a. Import volume and share of subject country

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

SN	Particulars	UOM	2018-19	2019-20	2020-21	POI
1	China PR	MT	1,834	696	2,058	529
2	Other countries	MT	45	317	1,649	161
3	Subject country imports in relation to-					
A	Indian Production	%	***	***	***	***
	Trend	Indexed	100	22	86	18
B	Indian Demand	%	***	***	***	***
	Trend	Indexed	100	31	73	26
C	Total Imports	%	98%	69%	56%	77%

50. It is seen that: -
- With the imposition of anti-dumping duties, imports from the subject country declined in 2019-20. The volume of subject imports has increased in 2020-21 but has declined again in the POI.
 - The imports from the non-subject countries have also increased over the injury period.
 - The volume of subject imports from the subject country as well as the non-subject countries increased in 2020-21 due to limited supply by the domestic industry because of the non-availability of raw material arising out of diversion of IPA for manufacturing hand sanitizers.
 - The imports from the subject country have declined in both absolute terms and in relation to production and consumption in the POI.

G.3.3 Price effect of dumped imports

51. With regard to the effect of the dumped imports on prices, it is required to be analyzed whether there has been a significant price undercutting by the alleged dumped imports as compared to the price of the like products in India, or whether the effect of such

imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in normal course.

52. Accordingly, the impact on the prices of the domestic industry on account of dumped imports of the subject goods from the subject country has been examined with reference to price undercutting and price suppression/depression, if any. For the purpose of this analysis the cost of sales and the net sales realization (NSR) of the domestic industry have been compared with the landed price of the subject imports from the subject country.

a. Price undercutting

53. In order to determine, whether the imports are undercutting the prices of the domestic industry in the market, price undercutting has been worked out by comparing the landed price of the subject imports with the selling price of the domestic industry during the injury period.

SN	Particulars	UOM	2018-19	2019-20	2020-21	POI
1	Net Sales Realisation	₹/MT	***	***	***	***
2	Landed Price	₹/MT	1,05,231	91,809	1,34,436	1,64,967
3	Price Undercutting	₹/MT	***	***	***	***
4	Price Undercutting	%	***	***	***	***
5	Price Undercutting	%	30-40%	30-40%	25-35%	0-10%

54. It is seen that the landed price of the subject imports is below the NSR of the domestic industry resulting in positive price undercutting. The Authority has examined the transaction-wise DG Systems data and has found that 77% of imports are below the selling price of the domestic industry.

b. Price suppression / depression

55. In order to determine whether the dumped imports are suppressing or depressing the domestic prices and whether the effect of such imports is to depress domestic prices to a significant degree or prevent increases in domestic prices which otherwise would have occurred to a significant degree, the Authority notes the changes in the costs and prices over the injury period.

SN	Particulars	UOM	2018-19	2019-20	2020-21	POI
1	Cost of Sales	₹/MT	***	***	***	***
	Trend	Indexed	100	87	126	121
2	Gross Selling Price	₹/MT	***	***	***	***
	Trend	Indexed	100	87	123	123
3	Landed Price	₹/MT	1,05,231	91,809	1,34,436	1,64,967
	Trend	Indexed	100	87	128	157

4	Landed Price with ADD	₹/MT	1,40,476	1,27,470	1,71,872	2,02,478
	Trend	Indexed	100	91	122	144

56. It is seen that throughout the injury period, the landed price of the subject imports has remained below the cost and the selling price of the domestic industry. The landed price of the subject imports and the cost and selling price of the domestic industry declined in 2019-20 at almost same rate but has increased thereafter in the year 2020-21 and has further increased in the period of investigation. The increase in landed price of the subject imports in the period of investigation is more than the increase in the cost and selling price of the domestic industry. It is also seen that increase in the selling price is marginally more than the cost of sales.
57. It is also seen that the landed price of the subject imports has been undercutting the selling price and the cost of sales of the domestic industry but the duty in force has ensured that such imports do not have any suppressing or depressing effect on the prices of the applicant.

G.3.4 Economic parameters of the domestic industry

58. Annexure - II to the Rules lays down that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on the domestic producers of such products. The Rules further provide for an objective evaluation of all relevant economic parameters 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 margin of dumping actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. Accordingly, various injury parameters relating to the domestic industry are discussed herein below.

a. Capacity, production, capacity utilization and domestic sales

59. The capacity, production, capacity utilization and domestic sales over the entire injury period was as follows:

SN	Particulars	UOM	2018-19	2019-20	2020-21	POI
1	Capacity Installed- Plant	MT	***	***	***	***
	Trend	Indexed	100	100	100	100
2	Production- Plant	MT	***	***	***	***
	Trend	Indexed	100	123	113	143
3	Capacity Utilisation	%	***	***	***	***
	Trend	Indexed	100	123	113	143
4	Production- PUC	MT	***	***	***	***

	Trend	Indexed	100	172	130	163
5	Domestic Sales	MT	***	***	***	***
	Trend	Indexed	100	167	125	161

60. It is seen that: -

- a. The domestic industry has expanded its capacity after the imposition of anti-dumping duties. It is also noted that the capacity of the domestic industry is not dedicated for the PUC.
- b. The production, capacity utilization and domestic sales have improved after the imposition of the anti-dumping duties.
- c. The domestic industry is operating with idle capacities.

b. Market share

61. The market share of subject imports and the domestic industry over the entire injury period was as follows:

SN	Particulars	UOM	2018-19	2019-20	2020-21	POI
1	Domestic industry	%	***	***	***	***
	Trend	Indexed	100	136	82	143
2	Subject country imports	%	***	***	***	***
	Trend	Indexed	100	31	73	26
3	Other countries imports	%	***	***	***	***
	Trend	Indexed	100	573	2,405	319

62. It is seen that post imposition of anti-dumping duties the market share of the domestic industry has increased and that of dumped imports from the subject country has declined. However, it is seen that the dumped imports have held a significant market share during the injury period. Despite a decline in the volume of subject imports from the subject country in the POI, the dumped imports continue to hold considerable market share.

c. Profitability, cash profits and return on investment.

63. Information with respect to profitability, return on investment and cash profits was as follows:

SN	Particulars	UOM	2018-19	2019-20	2020-21	POI
1	Cost of Sales	₹/MT	***	***	***	***
	Trend	Indexed	100	87	126	121
2	Selling Price	₹/MT	***	***	***	***
	Trend	Indexed	100	87	123	123
3	Profit / Loss	₹/MT	***	***	***	***
	Trend	Indexed	100	102	(765)	782
4	Profit / Loss	₹ Laacs	***	***	***	***

	Trend	Indexed	100	171	(956)	1257
5	Cash Profit	₹ Lacs	***	***	***	***
	Trend	Indexed	100	197	1	272
6	PBIT	₹ Lacs	***	***	***	***
	Trend	Indexed	100	75	(278)	404
7	ROCE	%	***	***	***	***
	Trend	Indexed	100	52	(178)	215

64. It is seen that

- a. With the imposition of anti-dumping duties, the applicant has been able to improve its profitability.
- b. The profit per unit has increased in 2019-20 but the domestic industry suffered losses in 2020-21. It has been submitted that the losses suffered in 2020-21 were due to unavailability of raw material and lockdown imposed by the Government of India.
- c. The performance of the domestic industry has improved in the POI and the domestic industry has posted significant profits. However, the level of profits earned by the domestic industry over the injury period are low. It is also to be noted that the volume of subject imports in the POI were the lowest.
- d. The cash profit of the domestic industry increased in 2019-20 but declined in 2020-21 and improved in the POI.
- e. The return earned by the applicant continues to remain low but is above the base year level.

d. Inventories

65. Information with respect to inventories is as follows:

SN	Particulars	UOM	2018-19	2019-20	2020-21	POI
1	Opening Inventory	MT	***	***	***	***
2	Closing Inventory	MT	***	***	***	***
3	Average Inventory	MT	***	***	***	***
	Trend	Indexed	100	238	493	691

66. It is seen that the average inventory of the applicant has increased throughout the injury period. However, as the production of the PUC is undertaken on a campaign basis, the increase in the inventory may not be attributable to the subject imports.

e. Productivity, employment and wages

67. Information with respect to productivity, employment and wages over the injury period is as under:

SN	Particulars	UOM	2018-19	2019-20	2020-21	POI
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1	No of employees	Nos	***	***	***	***
	Trend	Indexed	100	101	104	102
2	Salary & Wages	₹ Lacs	***	***	***	***
	Trend	Indexed	100	165	188	170
3	Productivity per day	MT/Day	***	***	***	***
	Trend	Indexed	100	172	130	163
4	Productivity per employee	MT/Nos	***	***	***	***
	Trend	Indexed	100	170	126	160

68. Productivity, salary & wages and employment have increased over the injury period. The domestic industry has however not claimed any deterioration in respect of these parameters.

f. Ability to raise capital investment

69. It is seen that the ROCE earned on investments already made have been very low.

g. Magnitude of dumping margin

70. It is seen that the dumping margin is more than *de minimis* and dumping has continued.

h. Growth

71. The information with respect to growth of the applicant with respect to the base year is given below:

SN	Particulars	UOM	2019-20	2020-21	POI
1	Production	Y/Y	72%	-24%	25%
2	Sales	Y/Y	67%	-25%	29%
3	Profit/(Loss) per unit	Y/Y	2%	-847%	202%
4	Inventory	Y/Y	138%	107%	40%
5	Market Share	Y/Y	36%	-40%	75%
6	Profit/(Loss) before tax	Y/Y	71%	-657%	232%
7	Cash Profit	Y/Y	97%	-100%	33271%
8	PBIT	Y/Y	-25%	-471%	245%
9	ROI	Y/Y	-48%	-443%	221%

72. It is seen that the growth of the domestic industry has been positive in the period of investigation. The applicant gained volumes post imposition of the anti-dumping duties. It is noted that the year 2020-21 was an abnormal year due to lockdown and non-availability of the raw materials. The growth of the domestic industry was negative as compared to 2019-20.

G.4. Conclusions on continuation of injury

73. The examination of the imports of the subject goods from the subject country and their impact on the performance of the domestic industry shows that the volume of dumped imports from the subject country has declined post imposition of the anti-dumping duties. The imports are below the selling price and the cost of sales of the domestic industry. However, the anti-dumping duty has ensured that the imports do not have any suppressing or depressing impact on the prices of the domestic industry. It is also seen that post imposition of the anti-dumping duty on the dumped imports, the domestic industry has been able to increase its market share and improve its production and sales. However, the domestic industry is still operating with idle capacities. It is also seen that the domestic industry was earlier suffering losses, but its performance has improved as it has been able to record profits, cash profits and a positive return on capital employed. However, the return earned by the domestic industry continues to remain low. Even though the volume of subject imports has declined, their landed price is materially below the selling price of the domestic industry preventing it from charging adequate remunerative prices. Therefore, the Authority concludes that the domestic industry has recovered from the past ill effects from dumping but its situation continues to remain vulnerable.

H. CAUSAL LINK

74. As per the Rules, the Authority, inter alia, is required to examine any known factors other than dumped imports which are injuring or are likely to cause injury to the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. While the present investigation is a sunset review investigation and causal link has already been examined in original investigation, the Authority examined whether other known listed factors have caused or are likely to cause injury to the domestic industry. It was examined whether other factors listed under the Rules could have contributed or are likely to contribute to the injury suffered by the domestic industry.

a. Volume and price of imports from third country

75. It is seen that the imports from the subject country hold 77% share in the total imports. There are also significant imports from the United States of America and Germany which hold 23% share in the total imports. The import price of subject imports from the non-subject countries is higher than China PR and is above the non – injurious price of the domestic industry.

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

76. The demand of the product under consideration declined in the year 2019-20 but has increased thereafter. The demand for the subject goods has increased over the injury period but has declined in the POI.

c. Trade restrictive practices

77. The Authority notes that there are no trade restrictive practices, which could have caused injury to the domestic industry.

d. Development of technology

78. The Authority notes that the technology for production of the subject goods has not undergone any change.

e. Export performance

79. The Authority notes that the domestic industry is not under export market and therefore, export performance cannot be a cause of injury.

f. Performance of other products

The Authority has considered the data relating to the performance of the subject goods only. Therefore, performance of other products produced and sold by the domestic industry cannot be a possible cause of injury to the domestic industry, if any.

I. MAGNITUDE OF INJURY MARGIN

80. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the information/data relating to the cost of production provided by the domestic industry and duly certified by the practicing accountant for the POI. The NIP has been considered for comparing the landed price from the subject country for calculating injury margin. For determining the NIP, the best utilisation of the raw materials and utilities has been considered over the injury period. Best utilisation of production capacity over the injury period has been considered. Extraordinary or non-recurring expenses have been excluded from the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the NIP as prescribed in Annexure III to the Rules.

81. Based on the landed price and the NIP determined as above, the injury margin as determined by the Authority is provided in the table below. Further, separate injury margin has been determined for bulk and packed goods.

SN	Particulars	Type	NIP USD/MT	Landed price USD/MT	Injury margin		
					USD/ MT	%	Range
1	Any producer	Bulk	***	***	***	***	0-10%
		Packed	***	***	***	***	0-10%
		Weighted average	***	***	***	***	0-10%

J. LIKELIHOOD OF RECURRENCE OF DUMPING AND INJURY

J.1 Submissions made by other interested parties

82. The submissions of the other interested parties with regard to likelihood of recurrence of dumping and injury are as under: -
- a. The likelihood of recurrence of injury must be based on ‘facts and not merely allegation, conjecture or remote possibility’. The circumstances warranting such measures must be ‘clearly foreseen and imminent’⁵.
 - b. The investigating authority is required to provide a reasoned and adequate explanation as to how the evidence on record supports a situation of injury arising in the imminent future.⁶
 - c. The legal standard for a sunset review is to establish whether or not cessation of duty would lead to continuation or recurrence of injury. An influx of imports is not per se barred by law.
 - d. A recommendation for continuation of duties cannot be made unless the applicant demonstrates likelihood of dumped and injurious imports.
 - e. Despite an increase in demand of the PUC, subject imports from China PR constitute a negligible share.
 - f. The domestic industry’s claims regarding surplus capacities in China PR cannot be merely based on ‘market research’. It must provide complete information regarding the same.
 - g. The articles submitted by the domestic industry state the total capacity of the producers from China PR and it is not specific to the production of the PUC. As stated by the applicant itself, the capacities can easily be diverted to produce other products, it is unclear as to how the capacity expansion plans can be used only for the production of MIPA.
 - h. The applicant has computed third country dumped and injurious imports on the basis of normal value constructed as per the USA’s export price which is not an appropriate benchmark.
 - i. China PR’s total exports constitute only 11% of its total capacity and such a small share of exports cannot make these producers export oriented.
 - j. China PR’s exports of the product under consideration to India constitute only 3-4% of its total exports.
 - k. The demand for MIPA in China PR is expected to increase significantly as China’s metalworking sector is increasing rapidly, which has forced the manufacturers to produce high-quality MIPA in the region.
 - l. The global mono-isopropanol amine industry was pegged at \$82.2 million in 2020, and is expected to reach \$140.8 million by 2030, growing at a CAGR of 5.6% from 2021 to 2030.⁷

⁵ *Indian Spinners Association v. Designated Authority* 2004 SCC OnLine CESTAT 2829.

⁶ Para. 7.277 United States - Anti-Dumping and Countervailing Measures on Certain Coated Paper from Indonesia - Panel report, WT/DS491/R.

⁷ Chidanand B, Nikil M, Eswara P “Monoisopropanolamine Market by End-Use Industry: Global Opportunity Analysis and Industry Forecast, 2021-2030” Allied Market Research, available at

- m. Every seller of a commodity is interested in maximizing their margin and profits. If the sales can be transferred to India at a higher price, there is no reason for the seller to sell the product under consideration at considerably lower prices.⁸
- n. The largest market for producers from China PR is Malaysia where the export price for the product under consideration is USD 1.1/Kg as opposed to USD 1.4/Kg in India. Since the anti-dumping duty imposed is a fixed duty, the producers from China PR could have clearly lowered their prices to that level to attract large section of the market.
- o. No anti-dumping duty is currently imposed by other countries on the PUC.

J.2 Submissions made by the domestic industry

83. The submissions of the domestic industry with regard to likelihood of recurrence of dumping and injury are as under: -

- a. The continuation of dumping of the subject goods by the producers of the subject country even after the imposition of anti – dumping duties in itself establishes the likelihood of continuation of dumping and injury in the event of cessation of anti-dumping duty.
- b. The Authority is compulsorily required to initiate sunset review in order to examine whether cessation of duty is likely to lead to continuance or recurrence of injury⁹.
- c. The producers from China PR have been dumping the subject goods not only in the Indian market but also in other countries. The dumping margin for such producers is as high as 76 %. The high dumping margin also demonstrates that producers in China PR have significant surplus capacities.
- d. More than 80% of the exports to third countries are below the export price to India and the price undercutting with respect to such exports is 28%.
- e. The producers from China PR export the product under consideration to more than 40 countries and exports to major destination is below the export price to India.
- f. The volume of diversifiable exports to India is 2.5 times the domestic demand.
- g. The volume of likely dumped and injurious exports to third countries which are below the export price to India is 248 %.
- h. The producers in China PR have very high capacities and are utilizing these to various global markets. The producers have listed all major countries as their sales market. Zhejiang Jianye Chemical Co Ltd has a capacity of 120 KT, Anhui Haoyuan Chemical Group Co., Ltd. has a capacity of 30 KT and are exporting globally.
- i. The producers from China PR have been exporting to more than 40 countries. However, prior to the imposition of duty, Indian exports accounted for 17% share in the total exports from China PR.

<<https://www.alliedmarketresearch.com/monoisopropanolamine-mipa-market-A15679>> last accessed November 11, 2022.

⁸ Chidanand B, Nikil M, Eswara P “Monoisopropanolamine Market by End-Use Industry: Global Opportunity Analysis and Industry Forecast, 2021-2030” Allied Market Research, available at

<<https://www.alliedmarketresearch.com/monoisopropanolamine-mipa-market-A15679>> last accessed November 11, 2022.

⁹ For details see Annexure – D of the non -confidential application of the domestic industry.

- j. The applicant competes with the imports directly based on prices. If the duties are not extended, it will have adverse volume and price effects on the performance of the applicant and it would have suffered financial losses, negative return and cash losses.
- k. The average capacity utilization of producers from China PR is only 50%. The applicant has already argued that the producers in China PR have capacities far higher than the demand in the country. What is required to be seen is the availability of freely disposable capacities with the producers from China PR and the export orientation of these producers with regard to their production.
- l. The sole reason behind the low share of China PR in total exports is the extant anti-dumping duty.
- m. The evidence relied on by the other interested parties claiming absence of surplus capacity in the subject country pertains to mono-isopropanol amine, an entirely different product.
- n. The user industry has relied on unconnected reports for their claims. No material has been brought forward to show that the demand of MIPA is expected to increase in China PR.
- o. The applicant has provided evidence pertaining to capacity expansion plans to be undertaken by Zhejiang Jianye for low carbon fatty amine (which includes the PUC).
- p. Regarding the other interested parties' submission with respect to low priced imports to Malaysia, it is submitted that this fact clearly establishes that India is a price attractive market and producers from the subject country would divert their exports to India in the absence of anti-dumping duty.
- q. Regarding the other interested parties' submissions with respect to the domestic industry witnessing a jump in its top line and operating margins, it is submitted that the statements pertain to acetonitrile amine and methanol amine, whose raw material is entirely different from the product under consideration.
- r. The contribution of the product under consideration in total revenue has been marginal in comparison to other segments.

J.3 Examination by the Authority

- 84. The present investigation is a sunset review of duties imposed on the imports of the subject goods from China PR. Under the Rules, the Authority is required to determine whether cessation of existing duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.
- 85. The Authority has examined the likelihood of continuation or recurrence of dumping and injury considering the requirement laid down under Section 9A (5), Rule 23 and parameters relating to the threat of material injury in terms of Annexure - II (vii) of the Rules, and other relevant factors brought on record by the interested parties.
- 86. There are no specific methodologies available to conduct such a likelihood analysis. However, clause (vii) of Annexure II to the Rules provides, *inter alia*, factors which are

relevant for threat of injury and the same factors may be used for likelihood analysis in a sunset review as well. Further, these are non-exhaustive list of parameters relevant for the determination of likelihood:

- 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.

87. The Authority has examined various indicators relevant to the assessment of likelihood of injury to the domestic industry, having regard to the above listed parameters. Further, the Authority has also examined other relevant factors which could have a bearing on the likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry.

88. The domestic industry has provided that the even though the product under consideration does not have a dedicated customs classification in India, it has a dedicated customs classification in China PR. The applicant has claimed that the product is exported under the code 292119 20. It is seen that the code considered by the domestic industry is for isopropyl amine which the applicant has claimed is another name for the product under consideration. Since no producer from China PR has participated in the present investigation and even the participating interested parties have not disputed this claim of the domestic industry, the Authority has considered the trade data of 292119 20 to examine the trend of exports to other countries.

89. The other interested parties have claimed that the demand of the product under consideration in China PR is expected to increase significantly and therefore, the producers from China PR will not divert the surplus production to India. The Authority notes that the evidence provided by the interested parties pertains to monoisopropanolamine which is not the product under consideration.

J.3.1 The level of current dumped imports into India indicating the likelihood of substantially increased importation

90. In order to examine the rate of increase in imports which could indicate the likelihood of further increase, the Authority has examined the trend of volume of imports over the injury period, both in absolute terms and in relation to production and consumption in India.

SN	Particulars	UOM	2018-19	2019-20	2020-21	POI
1	China PR	MT	1,834	696	2,058	529
2	Subject country imports in relation to-					
a	Indian Production	%	***	***	***	***
b	Indian Demand	%	***	***	***	***
c	Total Imports	%	100%	100%	100%	100%

91. It is seen that the volume of imports from China PR have declined in 2019-20 but have registered a steep increase in 2020-21. The volume of imports has declined again in the period of investigation. The imports from the subject country continue to hold a considerable share in the demand in the country.

J.3.2 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

92. The Authority has considered the imports in the period of investigation, the cost of production, and the selling price of the domestic industry in order to examine if imports are likely to have a depressing or suppressing effect on the domestic prices.

SN	Particulars	UOM	2018-19	2019-20	2020-21	POI
1	Cost of Sales	₹/MT	***	***	***	***
	Trend	Indexed	100	87	126	121
2	Selling Price	₹/MT	***	***	***	***
	Trend	Indexed	100	87	123	123
3	Landed Price	₹/MT	1,05,231	91,809	1,34,436	1,64,967
	Trend	Indexed	100	87	128	157

93. It is seen that the landed price of the subject imports has been below the cost and selling price of the domestic industry throughout the injury period. The Authority has also examined the transaction-wise DG Systems data and has found that 77% of imports are below the selling price of the domestic industry and 76% imports are below the non-injurious price of the domestic industry.

94. During the on-site verification, the domestic industry has also submitted evidence of quotes citing the significantly low prices offered by the producers from China PR to the user industry for the PUC. It is noted that these prices are significantly below the cost of production of the domestic industry. If the anti-dumping duties are not extended, the imports will undercut the cost as well as the selling price of the domestic industry, thus, showing that imports are likely to have a suppressing/depressing effect on the prices of the domestic industry if there is no anti-dumping duty in force.

J.3.3 Significantly high capacities and capacity expansion

95. The domestic industry has provided evidence that Zhejiang Jianye, a producer in China PR is expanding its capacity by 25,000 MT for low-fatty amines which includes the product under consideration. The domestic industry has submitted that globally all aliphatic amines producers set up plants for production of low fatty amine and majorly produce the product under consideration.

J.3.4 Third country dumping

96. Information with respect to third country dumping is given below.

SN	Dumped exports to third country	Total exports to third country	% of dumped exports	Dumping Margin (%)	Dumping Margin Range
1	16,743 MT	16,885 MT	99%	74%	70 - 80

Source – Exports from China PR as per Trademap data.

97. It is seen that the entire exports to third countries are at dumped prices. Further, it is also seen that dumping margin is 76%.

J.3.5 Third country injurious exports

98. Information with respect to third country injurious exports is given below.

SN	Exports to other countries below NIP	Total exports to third country	% of injurious exports	Injury margin (%)	Injury Margin Range
1	16638MT	16,885 MT	99%	52%	50-60

99. It is seen that the almost the entire exports to third countries are at prices below the non-injurious price to India. The injury margin in respect of these exports is 60%.

J.3.6 Price attractiveness

100. A comparison between the export price from China PR to India and China PR to third countries is given below:

SN	Month	Price to India Rs/KG	Price to other countries Rs/KG	Difference Rs/KG
1	2021-M04	94.47	99.09	-4.62
2	2021-M05	104.07	101.64	2.43
3	2021-M06	114.32	92.96	21.36
4	2021-M07	91.72	84.97	6.75
5	2021-M08	136.7	87.9	48.8
6	2021-M09	98.99	75.75	23.24

7	2021-M10	0	83.18	-
8	2021-M11	136.88	89.53	47.35
9	2021-M12	129.77	104.45	25.31
10	2022-M01	138.56	95.1	43.47
11	2022-M02	142.16	97.84	44.32
12	2022-M03	106.03	110.81	-4.79
13	Total	104.6	93.19	11.41

Source: Trademap data

101. It is seen that the average export price of the subject goods to other countries is below their export price to India which shows that Indian market offers better prices. Further, the Authority has compared the monthly average export price of subject goods to India from China PR with export price of the subject goods to individual countries from China PR to determine the share of exports which are below the export price to India. It is seen that 82% of the exports to third countries are at prices below the export price to India which shows that there is a strong likelihood of diversion of exports of the subject goods to India should the anti-dumping duty is revoked.

J.4. Conclusions on likelihood of injury

102. The examination of the parameters pertaining to likelihood of injury shows that the imports from the subject country are priced significantly below the cost and the selling price of the domestic industry. In the absence of the extant anti – dumping duties, the subject imports from the subject country would have had significant suppressing/depressing impact on the prices of the domestic industry. It is also seen that if the domestic industry is forced to match its prices with the import price, it would be selling at prices materially lower than its cost of production. The Authority also notes that the fact that the producers from China PR are undertaking capacity expansion and that exports from China PR to third countries are at prices below the export price to India which establishes that there is likelihood of increase in imports to India. Further, the fact that the producers from China PR are exporting goods at dumped prices to third countries also demonstrates the predatory nature of pricing practiced by producers from China PR. Therefore, the Authority concludes that there is a likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of cessation of duties.

K. INDIAN INDUSTRY’S INTEREST AND OTHER ISSUES

K.1 Submissions by the other interested parties

103. The following submissions have been made by the other interested parties during the course of the investigation: -

- a. The absence of options does not make for a healthy and competitive market and will result in downstream producers having to rely on only the applicant.

- b. The levy of anti-dumping duty has substantially increased the imports of the downstream product.
- c. There is no consistency in the claims of the applicant. While the consumption of MIPA is denoted in liters of glyphosates, the impact has been assessed in terms of kilograms.
- d. The impact calculated by the applicant is incorrect. The prices for downstream products as mentioned in application are incorrect and are unsubstantiated by evidence.
- e. The continuation of anti-dumping duties is likely to make day-to-day cost of food more expensive for the common man and affect food security in the country.
- f. The downstream industry products are used by millions of farmers. A sharp increase in cost is likely to affect several livelihoods and is likely to hamper the goal of 'atmanirbhar bharat'.
- g. The levy of anti-dumping duty has substantially increased the import of downstream product Atrazine Technical.
- h. The applicant is the sole producer of MIPA in the country and its share has been increasing with every passing year. The continuation of the existing anti-dumping duties will kill healthy competition in the country.
- i. The domestic industry's plant shut-down caused tremendous supply chain disruptions, especially in FY 2020-21. In order to de-risk the supply chain from such disruptions, downstream users have focused on relying on more than a single source of supply.
- j. With respect to adverse price impact calculated by the applicant, it is submitted that the applicant has calculated price undercutting on the basis of positive transactions only which is akin to zeroing, a practice which has been held to violative of the WTO Agreement on Anti – dumping.
- k. The users fail do understand the nexus drawn by the applicant between the fluctuating prices and the continuation of anti-dumping duties.

K.2 Submissions by the domestic industry

104. The following submissions have been made by the domestic industry during the course of the investigation: -
- a. The Authority has provided economic interest questionnaire to all the interested parties at the initiation stage itself. However, the user industry has not filed relevant information.
 - b. The failure of the user industry to provide relevant information implies that the extension of anti-dumping duties will not have any adverse impact
 - c. The import prices of the subject goods from China PR have fluctuated from Rs. 124/Kg to Rs. 230/Kg in the POI. When such significant movement in the price of goods did not have significant adverse impact on the user industry, the anti-dumping duty should hardly have any significant impact on the user industry.
 - d. The share of the product under consideration in the raw material cost of Atenolol is 20%, in Glyphosate is 11% and Atrazine 97% Tech. is 22%.

- e. The share of the product under consideration in the price of Atenolol is 0.11%, in Glyphosate is 4% and Atrazine 97% Tech. is 7.4%.
- f. The impact of anti-dumping duty on the final end product Glyphosate 41% is 0.90%, Atenolol (10 cap.) is 0.08% and Atrazine 50% WP is 1.58%.
- g. The participating user industry are producers of Atrazine Technical, who are now protected from the benefit of countervailing duty imposed on the imports of Atrazine from China PR.
- h. The plant of the applicant is not solely dedicated to the production of the product under consideration and other products can be manufactured on it. The continued adverse impact can lead to stoppage of production of the product under consideration as the applicant will be forced to switch to other products.
- i. The capacity with the applicant is sufficient to cater to the entire demand in India and there is no demand and supply gap. As against the demand of *** MT, the applicant has a capacity of ***MT.
- j. There are significant imports of the product under consideration from the United States of America as well with which the domestic industry will be required to compete with.
- k. The present anti-dumping duty did not restrict imports. Imports are still significant in volumes.
- l. The only year the volume of imports saw a sharp increase was in 2020-21. However, the imports declined in 2021-22 and have further declined sharply in the period April to September 2022.
- m. The user industry will have to maintain higher degree of inventory if they have to depend on imported material. In case the user industry procures from the domestic industry, inventory holding can be reduced.
- n. The viability of the user industry cannot be dependent on access to raw material at dumped prices.

K.3 Examination by the Authority

- 105. The Authority issued gazette notification inviting views from all the interested parties, including importers, consumers and other interested parties. The Authority also prescribed a questionnaire for the consumers to provide relevant information with respect to the present investigation, including the possible effects of the anti-dumping duties on their operations. The Authority sought information on, *inter-alia*, the interchangeability of the product supplied by various suppliers from different countries, ability of the consumers to switch sources, the effect of anti-dumping duties on the consumers, factors that are likely to accelerate or delay the adjustment to the new situation caused by the imposition of the anti-dumping duties.
- 106. The Authority had prescribed an Economic Interest Questionnaire which was sent to all interested parties to this review investigation. Both the domestic industry as well as the user industry has provided information sought in the Economic Interest Questionnaire.

The applicant has supplied information related to the domestic industry as well as the user industry in its Economic Interest Questionnaire.

107. It is noted that the purpose of anti -dumping duties, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The Authority recognizes that the continuation of the anti-dumping duties might affect the price levels of the subject goods as well as other downstream products manufactured by using the subject goods in India. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measures. On the contrary, the continuation of anti -dumping measures would prevent the decline of the domestic industry that may ensue as a consequence of low-priced subject imports from the subject country and help maintain the wider availability of choices to the consumers of the subject goods.
108. It is seen that the domestic industry as well as the downstream industry have provided the impact of continuation of the anti-dumping duty. While the downstream industry has provided impact of anti-dumping duty on its cost and selling price, the domestic industry has provided the impact of anti-dumping duty on the eventual end consumer. The Authority has examined the impact of anti-dumping duty provided by both the domestic industry and the downstream industry.
109. The downstream industry has in its impact of anti-dumping duty considered the residual amount of anti-dumping duty. However, the Authority notes that when there have been continuous imports from co-operative producers of the original investigation, the domestic industry would not have been able to charge the residual amount of anti-dumping duty. Therefore, any price increase or decrease in the price of the product would not have happened by the highest amount of anti-dumping duty. It is also seen that the net selling price of the domestic industry is lower than the landed price of imports after considering the lowest amount of anti-dumping duty which shows that the domestic industry has not charged the full duty amount in its prices. Therefore, considering the anti-dumping duty equal to residual rate of duty will not be appropriate. Nevertheless, the Authority has also analysed the impact on the domestic industry after taking into account ADD on cooperating producers and exporters, as well as ADD on the residual exporters.
110. The Authority examined the impact of anti-dumping duty on the cost of downstream industry. It is seen that the conversion cost as claimed by the participating downstream users for the same product are materially different and cannot be relied upon. Therefore, the impact of anti-dumping duty on the cost of downstream industry cannot be quantified upon based on conversion cost as provided by downstream industry. However, the domestic industry has provided impact of anti-dumping duty based on prices of the downstream products. The share of the product under consideration in per unit production

of Glyphosate 41% and Atrazine Technical are 0.17 KG and 0.39 KG respectively as provided by user industry.

111. Considering the prices of the downstream products as provided, average consumption norms provided by the downstream industry and the lowest anti-dumping duty imposed, it is seen that the impact of anti-dumping duty on the prices of the downstream industry is around 2% to 3%. Further, the Authority has also examined the impact of anti-dumping duty on the final end consumer which is found to be around 1.5% to 2% for Atrazine, 0.09% for Glyphosate and 0.08% for Atenolol.
112. The Authority also notes that the imposition of anti-dumping duty will not lead to non-availability of the subject goods for the consumers. Further, the anti – dumping duties will not restrict imports from the subject country as the imports have continued even after imposition of duty since 2018. It is also noted that there are significant imports from the non-subject countries and there is no demand - supply gap in the country and the domestic industry has sufficient capacity to cater to the entire Indian demand.
113. To ensure the continued availability of a competitive domestic product, it is necessary that the domestic industry also remain viable at fair prices failing which the users would become increasingly dependent on the dumped imports.

L. POST-DISCLOSURE COMMENTS

L.1 Submissions of the other interested parties

114. The submissions made by the other interested parties on the disclosure statement are as below:
 - a. Insecticides India Limited duly submitted written submissions and rejoinder but its name has not been covered in the disclosure statement.
 - b. The Authority has not addressed the manner in which domestic industry has complied with the requirement of Trade Notice No. 10/2018 dated September 7, 2018.
 - c. The Authority has failed to address how the present situation is an extraordinary one for extension of duties considering domestic industry has made remarkable progress.
 - d. Users had provided examples of inconsistency and unreliability of the information relied upon by the domestic industry for surplus and idle capacities. The Authority has not addressed any of the users' arguments concerning the same.
 - e. The Designated Authority is a quasi-judicial body, and is bound by the principles of natural justice, which require the Designated Authority to address the arguments of all parties and provide a reasoned order.
 - f. The Authority is requested to verify the cost allocation and the impact of the applicant's expansion projects on their cost.
 - g. As per the domestic industry's Annual Report 2021-22, there are three expansion projects ongoing at the Kurkumbh, and Patalganga plants, as well as at other locations apart from the Dahej location.

- h. Capacity expansion by the domestic industry is for all aliphatic amines, and product under consideration is also an aliphatic amine. It is possible that even though the plant is not being set up particularly for the PUC, the plant can potentially be used for the production of the PUC.
- i. It was not the Users' submission that the domestic industry has 'excess' capacities, but instead that capacity expansion has led to increase in costs.
- j. Domestic industry's capacity utilisation has increased by almost 55% in the POI as compared to the base year, despite facing a slump year in 2020-21.
- k. In 2020-21, the demand for the PUC witnessed an increase but the domestic industry's plant was shut down and it was unable to independently cater to the demand. This led to increase in import volume in 2020-21 majorly from the non-subject countries.
- l. Domestic industry has argued that there has been a price effect of the subject imports on its business and it becomes important to compare its profitability to price undercutting. There is no correlation between the alleged price undercutting and profitability of the domestic industry.
- m. Prices of the subject goods are higher when they are imported through programs such as Advance Authorization. Since programs such as Advance Authorization, SEZ, EOU, etc. do not require the importers to pay anti-dumping duty on the imports, the Chinese exporters are in a position to sell the products at a higher price.
- n. Domestic industry was in a position to increase its selling price, but it chose to sell at a lower price. Both the price underselling and the price undercutting as calculated is in the range of 0-10%.
- o. The imposition of anti-dumping duty is to remove injury to the domestic industry and bring it at a level playing field with the imports. In the present situation, the domestic industry has multiplied its growth and profits.
- p. There has been little to no reduction of demand of Glyphosate during the injury period. While most agrochemical products are seasonal in nature, glyphosate is consumed consistently around the year.
- q. Duty free imports were imported at a price higher than other imports and most of the imports are made through these schemes. The anti-dumping duty is almost redundant. Despite this, the domestic industry has improved its economic parameters tremendously.
- r. Authority must assess the price effect of anti-dumping duty free imports for a holistic assessment.
- s. The domestic industry is suffering with erratic cost fluctuations owing to high cost of raw materials, plant shut-downs in 2020-21 and high-capacity costs. Despite this, it has been able to consistently moderate price. This shows that the domestic industry has not suffered any price injury.
- t. Domestic sales of the domestic industry have increased in line with the production. Since the plant is not dedicated for PUC, idle capacities can be attributed to the performance of other products.
- u. 10% market share of the Chinese imports cannot be considered significant when the sole domestic producer has a market share of over 85%.

- v. With increase in domestic sales, production, capacity utilization and market share and a decrease in the market share of the subject imports, there is no reason for an increase in the domestic industry's inventory.
- w. Article 11.3 of the WTO Agreement on Anti-dumping requires the Authority to determine whether the expiry of the duty would be likely to lead to continuation or recurrence of dumping and injury. This nexus must be clearly demonstrated.
- x. The Authority has overlooked the main argument of the users pertaining to the low possibility of imports from China PR being diverted to India as the producers from China PR do not seem to be strategically interested in selling to India for factors other than price.
- y. A large portion exports from China PR is at a price lower than India. The producers from China PR could have further decreased the prices for India but did not do so.
- z. There is sufficient evidence to indicate the increase in the demand of the PUC in China as well. For example, there has been an increase in production capacity and new investments have been made in products such as glyphosate, which is a downstream product of the PUC. It is expected that with the advent of genetically modified crops in China, there could be an increase in demand in glyphosate by nearly 150,000 tons.
- aa. The Authority should direct the domestic industry to share the evidence regarding lower quotes with the users as users cannot comment without reviewing the evidence produced.
- bb. Low fatty amines are a broad category of products and does not necessarily pertain to the PUC. Consideration of the evidence will be contradictory to the Authority's own finding of not considering expansion of capacity for aliphatic amines by the domestic industry to be related to the PUC.
- cc. Mere existence of surplus capacities is not sufficient to establish likelihood of recurrence of injury.
- dd. The Authority has failed to engage with the submissions of the user industries regarding likelihood of recurrence or continuation of dumping and injury.
- ee. Meghmani and Sumitomo are different companies and may adopt different calculation and reporting methodologies. The raw material cost of other raw materials used by the companies is different, resulting in the difference in conversion costs.
- ff. Users should have received an opportunity to comment on the rejection of its data on account of any discrepancy.
- gg. Users are unclear regarding the calculation of 'impact of anti-dumping duty on final end customer.' Basis of such calculations should be shared.
- hh. Due to various developments in the global market over the past year, prices of other raw materials consumed in the downstream products have declined whereas the share of the PUC in cost of production has significantly increased. The impact of anti-dumping duties on the cost of production on the downstream industries is likely to be higher as compared to the projected impact.
- ii. The domestic supply of the PUC has remained erratic. In 2020-21, when the domestic industry faced plant shut-down, users suffered tremendously since there were not many other sources of procuring the PUC.

- jj. The present anti-dumping duty on MIPA has resulted in an inverted duty structure for many of the downstream products. This results in an influx of imports of finished products, severely injuring the user industry.
- kk. The extension of the present anti-dumping duty would be an exploitation of the protection granted to the domestic producer of MIPA and would destroy the businesses of the domestic producers of the MIPA's downstream products.
- ll. The Designated Authority is a quasi-judicial body, and is bound by the principles of natural justice, which require the Designated Authority to address the arguments of all parties and provide a reasoned order. This position has been affirmed by the Hon'ble Supreme Court in Automotive Tyre Manufacturers Association v. The Designated Authority and Ors.

L.2 Submissions of the domestic industry

115. The submissions made by the domestic industry on the disclosure statement are as below:
- a. The Authority should consider the impact dumped imports would likely cause on the domestic industry. If the domestic industry is forced to match the import price, it would suffer financial losses, cash losses and a negative return on capital employed.
 - b. All exports from the subject country to third countries for the entire injury period are below the non-injurious price of the domestic industry.
 - c. Restricting the quantum of the anti-dumping duties to the level of current injury margin will not prevent diversion of injurious exports to the Indian market.
 - d. The dumping margin over the injury period is as high as 70%.
 - e. Injury margin over the injury period was in the range of 35-40%.
 - f. The domestic industry is still vulnerable to dumped imports and there is a need for continuation of duties. The current level of price undercutting from the subject country and the low profits of the domestic industry clearly indicates that there is a need for continuation of duty.
 - g. If the Authority re-determines the anti-dumping duty based on the current level of dumping and injury margin, the re-determined duties will not completely serve the intended purpose as the domestic industry will not be able to earn desired return.
 - h. Almost 100 % of the subject imports in years 2018 – 19, 2019 – 20 and 2020 – 21 have been imported at prices which even after addition of anti-dumping duty based on current margins, will be below the non-injurious price of the domestic industry.
 - i. Almost 100 % of the subject imports in years 2018 – 19, 2019 – 20 and 2020 – 21 have been imported at prices which even after addition of anti-dumping duty based on current margins, will be below the selling price of the domestic industry.
 - j. The prices of the subject goods have varied significantly to the extent of 36% and injury margin in respect of these imports is significantly above the weighted average injury margin.
 - k. In a situation where imports have occurred at significantly varying prices at or around the same month and within the investigation period itself, the domestic industry concern is the low-priced imports and not the high-priced imports.

- l. The Authority has found that entire exports to third countries are at dumped prices and 99% of the exports are at injurious price. These exports reflect the likely margins in the event of expiry of duties.
- m. A plain reading of the law and global practice makes it evident that the scope of sunset review is mere extension of existing duty, and not modification of the existing duties.
- n. The purpose of sunset review is not fresh determination of dumping margin or injury margin but to provide relevant data to the Authority to examine the likelihood of injury.
- o. If any party seeks re-determination of dumping or injury margin, it must approach the Authority with a mid-term review investigation.
- p. The anti- dumping duties have been in existence since 2018. The impact of the said duties on the end consumers will not be a new phenomenon. Any impact which would have occurred, has already occurred during the present duty period itself.
- q. The significant difference between the duty impact assessment provided by the domestic industry and the downstream industry shows that there exists significant difference between the selling price of the downstream industry and the final price to the ultimate consumer. Even if it is accepted that the anti-dumping duty has any impact on the prices of the downstream industry, they are free to increase their prices. Further, the impact on the end consumer is negligible.
- r. The fact that there have been significant imports of the subject goods from the non-subject countries in the year 2020-21, shows that the other sources can supply to the Indian market if the downstream industry desires.

L.3 Examination by the Authority

116. The Authority has examined the post disclosure submissions made by the domestic industry, and the other interested parties and notes that some of the comments are reiterations which have already been examined suitably and addressed adequately in the relevant paras of the disclosure statement. The issues raised for the first time in the post disclosure comments/submissions by the interested parties and considered relevant by the Authority are examined below.
117. The Authority notes the submission from the other interested parties regarding the appropriateness of the capacity expansion information pertaining to a producer from Zhejiang which can be used for producing all kinds of low fatty amines. In this regard, the Authority notes that given the fact that the PUC does not require a dedicated capacity for production and these industries mostly produce several kinds of amine within the same plant, it is not possible to separately assess the information pertaining to PUC unless

evidence is brought forth regarding the same. It is further noted that the user industry has not brought any evidence which can help in specific assessment of the capacity dedicated for the production of the PUC.

118. The other interested parties have submitted that no conclusion as to existence of likelihood can be reached merely on grounds of surplus capacities. In this regard, it is noted that the Authority has analysed the existence of likelihood parameters as laid down in para vii of Annexure – II to the Rules. Accordingly, the Authority has analyzed the volume as well the injury margin of exports from China PR being sold in third countries at prices below the NIP of the domestic industry. Similarly, the Authority has also determined the volume as well as the dumping margin of subject goods sold at dumped prices in third countries. The Authority has also assessed the price attractiveness of the Indian market. The determination of existence of likelihood has been reached after analysing the above stated factors.
119. Regarding the submissions of the other interested parties with respect to several capacity expansion projects undertaken by the domestic industry, it is noted that the applicant has submitted that it produces the PUC only at its Patalganga site. Further, as stated above, none of the costs pertaining to the capacity expansions unrelated to the PUC have been allocated to the cost of the PUC.
120. With respect to the submissions regarding the improvement in economic parameters of the domestic industry, the Authority notes that it has already examined the economic parameters of the domestic industry in the disclosure statement. The performance of the applicant has improved after the imposition of the anti-dumping duties. While the applicant was earlier suffering losses, the anti-dumping duties have allowed it to recover.
121. The other interested parties have commented regarding non-compliance by the applicant of the Trade Notice No. 10/2018. It is noted that vide Trade Notice No. 05/2021 the application proforma for domestic industry was changed. The parameters such as R&D expenses, average industry norms, funds raised, cost of sales per unit etc. do not form part of the proforma as per Trade Notice No. 05/2021. Therefore, the applicant has not submitted the same as part of its application.
122. The other interested parties have submitted regarding the non-reliability of the market – research-based information related to surplus and idle capacities of the PUC in China PR. It is noted that the Authority has not considered the market research-based information provided by the domestic industry on surplus capacity.
123. As regards the submission that the demand of the subject goods is likely to increase in China owing to increase in the downstream industry, the Authority notes that disclosure statement is not the stage to bring in new facts. The other interested parties should have provided evidence regarding increase in demand prior to the issuance of the disclosure statement. The Authority has, however, perused the evidence submitted by the other

interested parties regarding the increase in demand of the PUC in China PR as a consequence of increase in demand for glyphosate, an end product. It is noted that the author of the article has not disclosed information regarding the methodology used for arriving at such numbers. Further, whether the conclusions are based on credible sources of information is also not clear. Therefore, in view of the above, in addition to the submission of the information at the post-disclosure stage, the Authority cannot consider the evidence brought forward by the user industries.

124. As regards the contention of the user industries pertaining to the rejection of their data, the Authority notes that the entire information provided by the user industries has not been rejected. The user industry had provided impact of the anti-dumping duties on its cost of production and on selling price. On perusal of the information submitted on record, it was found that the conversion cost of the end product manufactured by the two user industries differs significantly. While one user provided conversion cost of Rs ** per litre, the other user provided conversion cost of Rs ** per KG. The Authority called the information with respect to selling price of the downstream user industry and after verifying the same, considered the impact of anti-dumping duties on the prices provided by the downstream user industry. However, in view of the significant variation in conversion cost, the Authority was not able to examine the share of the total raw material cost in the total cost of production of the downstream industry.
125. As regards the contention on disclosure of methodology used to arrive at the impact of the anti-dumping duty on the final end consumers, the Authority has relied on the information provided by the domestic industry as they have submitted impact of anti-dumping duty on the end user industry. The information regarding prices was part of the application filed by the domestic industry and was shared with the user industry.
126. Regarding the submissions made by the other interested parties with respect to the market share, it is noted that during the base year the imports accounted for *** % of the market share which after decline in the subsequent year, again increased in the year 2020 – 21 wherein the imports accounted for *** % of the market share which was significant. During the POI, even though the share of subject imports from China PR has declined, it accounts for a considerable share of the market.
127. Regarding the submissions made by the other interested parties with respect to the growth registered by the domestic industry during the POI, it is noted that in the year 2020 – 21, due to a shortage of raw materials, increase in prices of raw material, significant increase in low priced imports and shut down of the factory, growth parameters of the domestic industry had severely deteriorated. Consequently, a comparison of the parameters of the domestic industry's growth in the POI with year before it would be improper unless analysed in context of the entire injury period.
128. Regarding the submissions made by the other interested parties pertaining to erratic sources of supply, it is noted that in the year 2020 – 21, the production of the PUC had

fallen due to a number of reasons. However, the vacuum created by the decline in production of the PUC was swiftly filled by the subject imports from the non – subject countries. This however, establishes the need to have a robust domestic industry to save the downstream industry from the shocks of erratic supply of raw materials for their end products.

129. The other interested parties have submitted that the domestic industry has been able to sell at non-injurious price. Due to the effect of the anti -dumping duties in place, the domestic industry has been able to achieve a selling price almost at a level of non – injurious price. It is further noted that non-injurious price is a notional price, which is determined based on the costs for a particular period, to examine whether the amount of anti-dumping duties lower than the dumping margin is sufficient to address the injury, the selling price is dependent on the market forces. Further, the injury to the domestic industry is determined by analysing the injury parameters as has been prescribed in the para 4 of Annexure II to the Rules.
130. As regards the submission of the user industry with respect to the co-relation between price undercutting and profitability of the domestic industry, it is noted that the Authority has already examined in the disclosure statement that there is no-correlation between these two. Further, on the submission of the domestic industry could have increased its prices, the Authority had also examined the transaction wise import data and found that majority of the subject imports are below the selling price and non – injurious price of the domestic industry.
131. The user industry has submitted that prices of the subject goods are priced higher when they are imported under duty free schemes. The Authority notes that no evidence has been brought by the user industry in support of its submission. The Authority has as per its consistent practice examined the imports in duty free and duty paid segment as a whole.

M. CONCLUSION & RECOMMENDATIONS

132. Having regard to the contentions raised, information provided, submissions made and the facts available before the Authority as recorded above and on the basis of the above analysis of the likelihood of continuation or recurrence of dumping and injury to the domestic industry, the Authority concludes that:
 - a. The applicant constitutes domestic industry under Rule 2(b) of the Rules and the application satisfies the requirements under the Rules.
 - b. There is continued dumping of the subject goods from the subject country despite the anti-dumping duties in force. The dumping and injury margins are positive.
 - c. The volume of dumped imports has declined post imposition of the anti – dumping duties; however, the volume of imports remains significant.

- d. The import price is below the selling price and cost of sales of the domestic industry. However, the anti-dumping duties in force have ensured that imports do not have any significant suppressing/depressing impact on the prices.
 - e. Production, capacity utilization, domestic sales and market share of the domestic industry have increased over the injury period.
 - f. The domestic industry's performance has improved in the period of investigation because of the extant anti-dumping duties.
 - g. The fact that the dumped imports continued even after imposition of duties shows a strong likelihood that if the duties were to be revoked the volume of subject imports will increase at a much higher rate.
 - h. It is seen that almost all exports from the subject country to third countries are at dumped prices.
 - i. It is seen that almost all exports from the subject country to third countries are at injurious prices.
 - j. The exports from the subject country to third countries are priced materially below the export price to India suggesting a strong likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of cessation of duty. The Authority accordingly concludes that the Indian market offers lucrative prices to the producers from China.
 - k. In the absence of anti-dumping duties, adverse impact of the imports on the domestic industry prices would be significant.
 - l. If the domestic industry is forced to sell at price equivalent to the import price of the subject goods, without the anti-dumping duties, it will suffer financial losses, cash losses and a negative return on investment.
 - m. The producers in the subject country are expanding their capacities.
 - n. The Authority accordingly concludes that there is likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of cessation of duties.
 - o. There is healthy competition in the Indian market and continuation of the anti-dumping duties would not deprive the user industry of any requirements.
 - p. The impact of anti-dumping duties on the eventual end consumers is insignificant.
133. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide information on the aspects of likelihood of continuation/recurrence of dumping and injury.
134. Having concluded that there is likelihood of continuation/recurrence of dumping and injury if the existing anti-dumping duties are allowed to cease, the Authority is of the view that continuation of duty is required on the imports of the PUC from the subject country. The Authority examined as to what quantum of duty be recommended which would mitigate the dumping/injury on account of likelihood analysis as conducted above. The volume of dumped and injurious imports from the subject country to India and to the rest of the world have been considered.

135. Under the aforesaid circumstances, the Authority considers it appropriate to recommend continuation of the existing quantum of anti-dumping duties on the imports of the subject goods from the subject country which would address and mitigate the likelihood of dumping and injury from the subject country. The Authority, thus, considers it necessary to recommend continuation of existing definitive anti-dumping duty imposed vide Notification No. 14/2018 - Cus (ADD), dated 21st March 2018. The producers which participated in the original investigation but did not respond in this review investigation have been considered non-cooperative and have been accordingly, accorded residual category of duty.

136. The Authority, thus, considers it appropriate and necessary to recommend continuation of definitive antidumping duty equal to the amount indicated in Col. 7 of the duty table below for a period of five (5) years on all imports of the subject goods from the subject country. Therefore, considering the facts and circumstances of the case, as established hereinabove, antidumping duty equal to the amount indicated in Col 7 of the duty table given below is recommended to be imposed from the date of notification to be issued in this regard by the Central Government, on all imports of subject goods, from the subject country for a further period of five (5) years.

Duty Table

SN	Heading/ Subheading	Description of goods	Country of origin	Country of export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	29211190 and 29211990	Mono isopropylamine	China PR	Any country including China PR	Any producer	620.00	MT	US \$
2	-do-	-do-	Any country other than China PR	China PR	Any producer	620.00	MT	US \$

137. The landed value of subject 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.

135. Under the aforesaid circumstances, the Authority considers it appropriate to recommend continuation of the existing quantum of anti-dumping duties on the imports of the subject goods from the subject country which would address and mitigate the likelihood of dumping and injury from the subject country. The Authority, thus, considers it necessary to recommend continuation of existing definitive anti-dumping duty imposed vide Notification No. 14/2018 - Cus (ADD), dated 21st March 2018. The producers which participated in the original investigation but did not respond in this review investigation have been considered non-cooperative and have been accordingly, accorded residual category of duty.

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N. FURTHER PROCEDURE

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


Anant Swarup
(Designated Authority)