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**File No. 7/15/2020-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
Jeevan Tara Building, 5, Parliament Street, New Delhi-110001**

Dated: 22nd December, 2020

NOTIFICATION

Final Findings

Case No. AD-SSR-10/2020

Subject: - Sunset Review investigation concerning imports of “Carbon Black used in Rubber Applications” originating in or exported from China PR and Russia- Final Findings

No. 7/15/2020-DGTR - Having regard to the Customs Tariff Act 1975 as amended (hereinafter referred as the “Act”) and the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter also referred as the Anti-Dumping Rules or Rules) as amended from time to time.

1. M/s Carbon Black Manufacturers Association (CBMA) (hereinafter referred to “Applicant”) has filed an application before the Designated Authority (hereinafter referred to as the “Authority”), on behalf of the domestic producers namely, Phillips Carbon Black Limited, Himadri Speciality Chemicals Limited, Continental Carbon India Limited and Birla Carbon India Private Limited, in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred as the “Act”) and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred as the “Rules”), for sunset review of Anti-Dumping duty imposed on imports of “Carbon Black used in Rubber applications” (hereinafter referred to as “product under consideration” or “PUC” or “subject goods”), originating in or exported from China PR and Russia (hereinafter referred to as the “subject countries”). The domestic producers namely, Phillips Carbon Black Limited; Himadri Speciality Chemicals Limited and Continental Carbon India Limited (hereinafter referred to as “Participating Companies”) have provided the prescribed information in the Application.
2. The Authority, on the basis of prima facie evidence submitted by the Applicant, issued a public notice vide Notification No. 7/15/2020-DGTR dated 20th May, 2020, published in the Gazette of India, initiating the sunset review investigation in accordance with Section 9A(5) of the Act read with Rule 23 of the Anti-Dumping Rules to review the need for continued

imposition of the anti-dumping duty in respect of the subject goods, originating in or exported from China PR and Russia, and to examine whether the expiry of the said duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

A. BACKGROUND OF THE CASE

3. The original investigation concerning imports of the subject goods from Australia, China PR, Iran, Malaysia, Russia and Thailand was initiated by the Authority vide Notification No. 14/21/2008-DGAD dated 26th December, 2008. The provisional anti-dumping duties were recommended vide Notification No. 14/21/2008-DGAD dated 25th May, 2009 on subject goods, originating in or exported from Australia, China PR, Russia and Thailand, and the same were imposed vide Notification No. 83/2009-Customs dated 30th July, 2009. Thereafter, definitive anti-dumping duties were recommended vide Notification No. 14/21/2008- DGAD dated 24th December, 2009 and the same were imposed vide Notification No.6/20 I 0-Customs dated 28th January, 2010.
4. The Authority initiated a mid-term review (MTR) investigation on subject goods, originating in or exported from Australia, China PR, Russia and Thailand vide Notification No. 15/41/2010-DGAD dated 30th August, 2011 and recommended continued imposition of the anti-dumping duties vide notification No. 15/41/2010-DGAD dated 28th February, 2013 which were imposed vide Notification No. 9/2013-Customs (ADD) dated 26th April, 2013.
5. A Sunset Review (SSR) investigation was initiated vide Notification No. 15/8/2014-DGAD dated 15th July, 2014 in respect of the subject goods, originating in or exported from the China PR, Russia and Thailand, and the extension of anti-dumping duties was recommended vide Notification No. 15/8/2014-DGAD dated 1st October, 2015 in respect of the subject goods, originating in or exported from China PR and Russia, and the same were imposed vide Notification No. 54/2015-Customs (ADD) dated 18th November, 2015.
6. In exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act and in pursuance of Rule 23 of the Anti-dumping Rules, the Central Government vide Notification No. 34/2020-Customs (ADD) dated 9th November, 2020 extended the Anti-dumping duties till 31st December, 2020.

B. PROCEDURE

7. The procedure described below has been followed with regard to the subject investigation:
 - a. The Authority issued a public notice dated 20th May, 2020 published in the Gazette of India Extraordinary, initiating sunset review investigation concerning import of subject goods from the subject countries.
 - b. The Authority sent a copy of the initiation notification dated 20th May, 2020, to the Embassy of the subject countries in India, the known producers and exporters from the subject countries, known importers, importer/user Associations and other interested

parties, as per the addresses made available by the Applicant. The interested parties were advised to provide relevant information in the form and manner prescribed and make their submissions known in writing within the prescribed time-limit.

- c. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Embassy of the subject countries in India in accordance with Rule 6(3) of the Anti-Dumping Rules.
- d. The Embassy of the subject countries in India was also requested to advise the exporters/producers from their countries to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to it along with the names and addresses of the known producers/exporters from the subject countries.
- e. The Authority, upon request made by the interested parties, granted extension of time to the interested parties to file their Questionnaire Responses vide communication dated 1st July, 2020. Additional time was extended up to 22nd July, 2020.
- f. The Authority sent questionnaires to the following known producers/exporters in the subject countries in accordance with Rule 6(4) of the Rules:
 - i. Hebei Daguangming Industry Group
 - ii. Shanghai Kargos International
 - iii. Hebei jing country xinyuan rubber chemical Co. Ltd.
 - iv. Hebei Yonghui Chemical Industries Import and Export Co., Ltd.
 - v. Gansu Jinshi Chemical Co., Ltd
 - vi. Shandong Shuangyan Chemical Co., Ltd
 - vii. Weifang Longzhou Industry and Commerce Co., Ltd.
 - viii. Laiwu Taishan Carbon Black Co., Ltd
 - ix. Qichang Chemical Co., Ltd
 - x. Jiangxi Black Cat Carbon Black Co., Ltd
 - xi. Suzhou Boahua Carbon
 - xii. Tianjin Dolphin Carbon Black Ltd.
 - xiii. Omsktechuglerod OJSC
 - xiv. Amtel Holding Company
 - xv. Severgazprom
 - xvi. Nizhnekamsk
 - xvii. Yaroslavltekhhuglerod
- g. In response to the initiation notification, none of the other exporters/ producers have responded or submitted exporter's questionnaire responses. Omsk Group, Russia filed a letter of participation.
- h. The Authority sent questionnaires to the following known importers and users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules.
 - i. M/s JK Tyre and Industries Limited

- ii. M/s Birla Tyres Limited
- iii. M/s Apollo Tyres Limited
- iv. M/s CEAT Limited
- v. M/s MRF Limited
- vi. M/s Ralson(India) Limited
- vii. M/s Poddar Tyres Limited
- viii. M/s Oriental Rubber Industries Private Limited
- ix. M/s Hindustan Rubber Industries
- x. M/s Agarwal Rubber Limited
- xi. M/s Phoenix Yule Limited
- xii. M/s Monotona Tyres Limited
- xiii. M/s TVS Srichakra Limited
- xiv. M/s Ahuja Continental Private Limited
- xv. M/s Midas Rubber Private Limited
- xvi. M/s Tolins Tyres Private Limited
- xvii. M/s TM Tyres Limited
- xviii. M/s Hartex Rubber Private Limited

- i. The following users have responded or submitted importer/user questionnaire responses:
 - i. M/s JK Tyre and Industries Limited
 - ii. M/s Apollo Tyres Limited
 - iii. M/s CEAT Limited
 - iv. M/s MRF Limited
- j. The Authority sent a copy of the initiation notification dated 20th May, 2020 to the following known Associations of the subject goods in India:
 - i. Automotive Tyre Manufacturers' Association(ATMA)
- k. In response to the initiation notification, Automotive Tyre Manufacturers' Association (ATMA) registered itself as an interested party, and have filed legal submissions. All India Rubber Industries Association (AIRIA) registered itself as an interested parties but did not file any information or submissions.
- l. Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties.
- m. The period of investigation for the purpose of present investigation is 1st April, 2019 to 31st March, 2020 (12 months). The injury examination period has however been considered as the period from 1st April 2016-31st March 2017, 1st April 2017-31st March 2018, 1st April 2018-31st March, 2019 and the period of investigation.
- n. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide transaction-wise details of imports of subject goods for the past three years, including the period of investigation, which has been received by the

Authority. The Authority has relied upon DGCIS data for computation of the volume of imports and required analysis after due examination of the transactions.

- o. The non-injurious price (hereinafter referred to as 'NIP') based on the cost of production and reasonable profits the subject goods in India, having regard to the information furnished by the domestic industry in accordance with Generally Accepted Accounting Principles (GAAP) and Annexure III to the Anti-Dumping Rules, has been worked out so as to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- p. In accordance with Rule 6(6) of the Rules, the Authority also provided opportunity to all interested parties to present their views orally in a hearing held on 9th November, 2020. All the parties who had attended the oral hearing were provided an opportunity to file written submissions, followed by rejoinders, if any.
- q. In accordance with the Rules the Authority disclosed the essential facts of the case that would form the basis of its findings in the form of a disclosure statement on 09.12.2020 and the interested parties were allowed time up-to 15.12.2020 to comment on the same. The comments of the interested parties, to the extent relevant, have been considered by the Authority and have been addressed in this finding.
- r. The submissions made by the interested parties during the course of this investigation, to the extent supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority, in this final finding.
- s. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- t. 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 disclosure statement on the basis of the facts available.
- u. The Authority has considered all the arguments raised and information provided by all the interested parties at this stage, to the extent the same are supported with evidence and considered relevant to the present investigation.
- v. '***' in this final findings represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

- w. The exchange rate adopted by the Authority for the subject investigation is 1 US \$= 71.65.

C. PRODUCT UNDER CONSIDERATION (PUC) AND LIKE ARTICLE

C.1 Submissions of the domestic industry

- 8. The submissions made by the domestic industry with regard to product under consideration and like article and considered relevant by the Authority are as follows:
 - a. The product under consideration is ‘Carbon Black used in rubber applications’.
 - b. Since the present investigation is a sunset review investigation, the PUC remains the same as defined in the previously conducted investigation. Further, no significant developments have taken place over the period. Therefore, the Applicants have referred to and relied upon the previous investigation with regard to the PUC.
 - c. Further, the present Application is for SSR investigation for continued imposition of ADD. The issue of like article has been examined by the Authority in the original investigation as well. Therefore, the Applicants have submitted that product imported from subject country is like article to product produced by the Domestic Industry.
 - d. In response to the contention of the respondent regarding the exclusion of Speciality grade CB HP 1107 from scope of PUC, the domestic industry has submitted that no evidence to established that the Domestic industry is not manufacturing like article to CB HP 1107 has been provided. This particular type of the product is not even imported from China and this is the grade produced and exported from Korea.

C.2 Submissions of other interested parties

- 9. The submissions made by the other interested parties with regard to product under consideration and like article and considered relevant by the Authority are as follows:
 - a. Speciality grade CB HP 1107 is to be excluded from the scope of PUC as domestic industry is not a domestic producer nor are the grades produced by the domestic industry substitutable for the speciality grade. Further, domestic industry had agreed to the exclusion of grades which the domestic industry does not manufacture during the oral hearing.

C.3 Examination by the Authority

- 10. The product under consideration in the present sunset review investigation is the same as defined in the original investigation and subsequent sunset review investigation, i.e., “Carbon Black used in Rubber Applications”. As per the original investigation and first sunset review investigation carried out by the Designated Authority earlier, the product has been defined as under:

“5. The product under consideration is ‘Carbon Black used in rubber applications’. It is an inorganic chemical used in production/ processing of rubber (including tyres), as reinforcing filler. Carbon Black is also known as acetylene black, channel black, furnace black, lampblack, thermal black, and noir de carbone. Carbon black can be divided into two categories – rubber and non-rubber applications Carbon black. Carbon black for rubber applications is the Carbon black that is used in production/ processing of rubber (including tyres), as a reinforcing filler. The present investigation is in respect of Carbon black used in rubber applications. Carbon black used in non-rubber applications, such as inks in copiers and computer printer cartridges, paints, crayons and polishes, is not within the scope of the present investigation.

6. The subject goods fall under Chapter 28 of the Act under subheading no. 28030010. The customs classification is indicative only and is in no way binding on the scope of the present investigation.”

11. The present investigation, being a sunset review investigation, the product under consideration remains the same as in the previously conducted investigation.
12. As regards exclusion of speciality grade CB HP 1107, the Authority notes that the opposing interested parties have not provided any evidence or sufficient justification for exclusion of the product type. The Authority examined the import data and found that this grade has been imported from Korea RP. Further, the web search undertaken also shows that the grade pertains to some Korean producer. Since the grade has not been imported from China, nor any evidence shown that it is produced in China, the Authority considers that its exclusion is not appropriate.
13. The subject goods produced by the domestic industry and that imported from the subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. In view of the same, the Authority holds that the product manufactured by the Applicant constitutes like article to the subject goods being imported into India from the subject country.
14. In view of the information filed by various interested parties and information on record, the scope of the product under consideration in the present review investigation remains the same as that in the original investigation

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1 Submissions of the domestic industry

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

- a. The production of applicant companies, namely, Phillips Carbon Black Limited, Himadari Speciality Chemicals Limited and Continental Carbon India Limited constitute a major proportion in Indian production.
- b. The Applicant has not imported the subject goods in the period of investigation from the subject countries. The Applicant is not related to any exporters in the subject countries or importers of the subject goods in India.
- c. There are 4 members of the association, who produce the product under consideration for sale in the market.
- d. There are 2 producers of the product under consideration, who produce the product under consideration as a backward integration for production of their product. Being captive producers, they should not be considered for establishing standing, demand and injury to the domestic industry.
- e. Birla Carbon has an affiliate in Korea who has exported the product under consideration to India. The applicant is filing a petition separately seeking imposition of ADD on imports from Korea. Birla Carbon will be an ineligible domestic industry in that application. It would be appropriate to keep the same scope of the domestic industry in the two petitions.
- f. As regards the respondent's contention regarding the exclusion of Birla Carbon, the domestic industry submitted that the petition filed by Phillips Carbon Black Limited, Himadari Speciality Chemicals Limited and Continental Carbon India Limited constitute major proportion in the total Indian production and the application satisfies criteria of standing. ATMA has always argued for exclusion of Birla Carbon (formerly known as Hi-Tech Carbon) from scope of domestic industry in previous investigations, and in the present investigation, it is arguing for its inclusion. ATMA seems to have issues no matter what the constituent of domestic industry is.

D.2 Submissions of the other interested parties

16. The following submissions have been made by the other interested parties regarding scope and standing of domestic industry.
 - a. Birla carbon has consistently been part of the domestic industry and is the second largest manufacturer of PUC in India. There is no justification to exclude Birla Carbon on the ground of quantum of imports from Korea RP, from an investigation where Korea RP is not even a subject country.
 - b. There is lack of objectivity, which is a necessary requirement for injury and likelihood analysis, since the present investigation has been allowed to proceed in the absence of Birla Carbon's representation, thereby distorting the injury and likelihood of injury analysis.

D.3 Examination by the Authority

17. Rule 2(b) of the Anti-Dumping Rules defines domestic industry as under:

“(b) “domestic industry” means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose

collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term 'domestic industry' may be construed as referring to the rest of the producers”.

18. M/s Carbon Black Manufacturers Association (CBMA) has filed an application before the Designated Authority (hereinafter referred to as the “Authority”), on behalf of the domestic producers namely, Phillips Carbon Black Limited, Himadri Speciality Chemicals Limited, Continental Carbon India Limited and Birla Carbon India Private Limited. The participating companies namely Phillips Carbon Black Limited, Himadri Speciality Chemicals Limited, and Continental Carbon India Limited have also individually sought extension of antidumping duty and have provided the prescribed information.
19. These participating companies have stated that they have neither imported the subject goods from the subject countries nor are related to any exporter or producer of subject goods in the subject countries or an importer of the product under consideration in India. The production of the applicant companies constitute a major proportion in Indian production.
20. As regards non participation by Birla Carbon in the present investigation, the authority notes that the notice of initiation was published in the Gazette of India. Further, Birla Carbon was specifically requested to provide relevant information. Birla Carbon has however not provided information in the form and manner prescribed for inclusion as a domestic industry. The authority notes that in a situation where one or more domestic producers do not cooperate with the authority with relevant information, the authority is required to make a determination based on facts available. Further, rights of petitioning companies cannot be undermined only because some domestic producer has not cooperated and has not provided relevant information. Further, the interested parties have not provided any information and evidence to show that performance of Birla Carbon has been materially different from the performance of the petitioner companies.
21. In view of the above and after due examination, the Authority notes that the applicant companies constitute eligible domestic industry in terms of Rule 2 (b), and the application satisfies the criteria of standing in terms or Rule 5(3), or the Rules supra.

E. CONFIDENTIALITY

E.1 Submissions by the domestic industry

22. The following submissions have been made by the domestic industry with regard to confidentiality issues:
 - a. The Applicant has submitted that user questionnaire responses filed by the interested parties to the present investigation are insufficient and not in adherence to Trade Notice No. 10/2018. They have claimed excessive confidentiality regarding vital information

- such as details of units linked to PUC, production process, share of user in downstream market, list of products sold, etc. sought for in the questionnaire.
- b. The interested parties have claimed information that is freely available in the public domain as confidential. The users have also claimed complete confidentiality of responses relating to post-invoicing/ sale discounts and the possibility of switching to other sources of supply for the PUC.
 - c. The non-confidential version of the user questionnaire responses do not allow a meaningful understanding of the information that has been claimed confidential.
 - d. The responses should be disregarded and the users must be declared as non-cooperative since the domestic industry is handicapped from offering comments and defending its interests in the absence of even indexed information, thereby violating principles of natural justice.
 - e. As regards the contention of the respondents regarding excessive confidentiality, the domestic industry has submitted that the confidentiality claims are as per requirements of the Trade notice and that individual performance of the constituents of the domestic industry is a confidential information not amenable to summarization.
 - f. In response to the contention of the respondents that confidentiality has been claimed for third party documents, the domestic industry submitted that the DGCI&S data and third party report have been procured with an obligation of not disclosing the same. As regards DGCI&S data, there is a Trade Notice issued by the Authority elaborating the process for obtaining DGCI&S data, following which, the interested parties also could have procured the data.

E.2 Submissions by the other interested parties

23. The following submissions have been made by the other interested parties with regard to confidentiality issues:
 - a. Excessive confidentiality claimed by domestic industry for parameters of capacity, production, etc. when the same is available in the public domain. Non-confidential version of petition has significant errors and confidentiality claimed for Sales Realization per unit, Inventories, Inventory as number of days of production, Inventory as number of days of sales and has not provided any data pertaining to the R&D expenses, funds raised, average industry norms. Indexed data has been provided for Sales value, Employment, Productivity per day, Inventory, Depreciation and Amortization Expenses instead of providing the aggregated data.
 - b. Confidentiality claimed for third party documents like Annexure 1.3 and Annexure 4.2. These documents are publicly available either freely or on a certain payment. Such publicly available information cannot be claimed as confidential as it abridges the right of the respondent to peruse and comment on the submissions made based on such documents.

E.3 Examination by the Authority

24. Various submissions made by the Applicant as well as other interested parties during the course of the investigation with regard to confidentiality, to the extent considered relevant by the Authority, have been examined.

25. With regard to confidentiality of information, Rule 7 of the AD Rules provides as follows:

“Confidential information: (1) Notwithstanding anything contained in sub-rules (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, 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 authorise its disclosure in a generalized or summary form, it may disregard such information.”

26. The Authority examined the confidentiality claims of the interested parties and on being satisfied, allowed the claim on confidentiality. The Authority considers that any information which is by nature confidential (for example, because its disclosure would be of significant competitive advantage to a competitor or because its disclosure would have a significantly adverse effect upon a person supplying the information or upon a person from whom that person acquired the information), or which is provided on a confidential basis by parties to an investigation shall, upon good cause shown, should be treated as such by the authority. Such information cannot be disclosed without specific permission of the party submitting it.

27. The Authority has considered the claims of confidentiality made by the Applicants and the opposing interested parties and on being satisfied about the same, the Authority has allowed the claim on confidentiality. The Authority made available to all interested parties the public file containing non-confidential version of evidences submitted by various interested parties for inspection, upon request as per Rule 6(7).

28. As regards disclosure of DGCI&S data, the Authority’s Trade Notice No. 7/2018 dated 15th March, 2018, prescribes the procedure for collecting DGCI&S data for Domestic Industry as well as for other interested parties. The interested parties, thus, had access to procure DGCI&S data by following the procedure prescribed as per the Trade Notice and defend their interests. The Authority thus notes that the procedure now being applied is consistent, uniform across parties and investigations, equitable and provides adequate opportunity to the interested parties to defend their interests.

F. MISCELLANEOUS SUBMISSIONS

F.1 Submissions by the Domestic Industry

29. The following submissions have been made by the Domestic Industry with regard to various issues:
- a. All India Rubber Industries Association (AIRIA) cannot be considered as an interested party as it has not filed any submissions or relevant information after initiation of investigation nor has any of its members filed any questionnaire responses.
 - b. The responses provided by the users are incomplete and do not contain crucial information thereby disabling the domestic industry from offering its comments and is handicapped in defending its interests. The users have also withheld information on malafide grounds.
 - c. In response to the contention of the respondents that the present investigation is not a special case for extension of ADD, the domestic industry has submitted that the duty is extended by the Authority only when the legal requirements are met and the period for which the duty has been in force is irrelevant. Anti-dumping duty is meant to prevent unfair trade and not to protect the domestic industry and the domestic industry cannot be barred to approach the Designated Authority for prevention of unfair trade practice. There is justification of continued imposition of anti-dumping duty till the dumping and consequent injury exists. There is no requirement of special or exceptional circumstances for continuation of duties. The only legal requirement for continuation of duty is likelihood of continuation or recurrence of dumping and injury in the event of cessation of duty. The opposing interested parties have not established how the information provided does not meet the requirement for continuation of duties.
 - d. As regards legal principles laid down by the Authority should be applicable in subsequent cases, it was submitted that Dry Cell Batteries was one of the exceptional cases. The domestic industry referred to Acrylic Fibre (2020) and Nylon Tyre Cord Fabric (2020) and other cases where the Authority has extended the duty to more than 10 years which further establishes the practice of the Authority.
 - e. As regards the contention of timely availability of PUC from domestic manufacturers, the domestic industry submitted that the user association has not provided a single incident wherein the product under consideration was not made available by domestic industry on time.

F.2 Submissions by the other interested parties

30. The following submissions have been made by the other interested parties with regard to various issues:
- a. Domestic Industry has received continuous protection for 11 years since 2009 and has not made any submissions in the petition demonstrating that the present investigation qualifies as a 'special case' for extension of anti-dumping duty. The present

- investigation is the second SSR and in order to recommend extension of ADD, the Authority has to come to an opinion that cessation of anti-dumping duty will lead to recurrence of dumping and injury. Therefore, present investigation must be terminated as extension is not warranted.
- b. The Authority laid down a principle in the SSR investigation of the Antidumping duty on imports of 'Dry Cell Batteries' originating in or exported from China PR that anti-dumping duties will be extended beyond a period of 10 years only in 'special cases'. The differentiation that the domestic industry's counsel drew between the quantum of imports in the Dry Cell Batteries case and the present one is immaterial for applying this principle. DGTR is a quasi-judicial body with adjudicatory functions akin to that of a judicial body and therefore the legal principles laid down by the Authority should be applicable on subsequent cases before itself.
 - c. There are certain issues with respect to timely availability of PUC from domestic manufacturers.

F.3 Examination by the Authority

31. The Authority has noted all the arguments and counter-arguments of the interested parties and has examined all aspects of the submissions made.
32. With regard to the issue of continued duty raised by the interested parties, the Authority notes that there is no bar on the number of times a sunset review can be conducted, and antidumping duty extended. The rules require the Authority to determine whether cessation of ADD is likely to lead to continuation or recurrence of dumping and injury to the domestic industry. It is further noted that the recommendation for extension of anti-dumping duty is made only when the requisite legal requirements are met.
33. With regard to the contention of the interested parties that they faced certain issues with timely availability of PUC, the Authority notes that the interested parties have failed to provide sufficient evidence to substantiate their claim.
34. With regard to the contention of the interested parties that the legal principles laid down by the Authority should be applicable on subsequent cases before the Authority, the Authority notes that the final determination is made in each investigation after also taking into consideration the facts and circumstances of that investigation, while giving due regard to the past determination and their relevance and applicability on the present investigations.
35. As regards incomplete responses filed by the users, the Authority has acknowledged and accepted the submissions made by the interested parties, on the basis of the facts and circumstances of the case and the practice of the Authority. It is however noted that these consumers have not filed complete questionnaire response. The Authority has made determination on the basis of facts available wherever an interested party has not provided relevant information.

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

G.1. Submissions of the domestic industry

36. The following submissions have been made by the Domestic Industry with regard to the normal value, export price and dumping margin:

- a. For determination of normal value of Russia, efforts were made to get evidence with regard to actual transaction price of sale of subject goods in the domestic market of Russia, but since the product is produced in various grades, no evidence could be collected. Further, normal value could not be based on export price of subject countries to appropriate third country as the product under consideration does not have a dedicated customs classification and the export data included products not subject to the present investigation. Therefore, the domestic industry made efforts to get authentic evidence with regard to actual cost of production of the subject goods in the subject countries and constructed the cost of production in Russia with reasonable profits for determining the normal value.
- b. The Designated Authority shall follow Para 1-6 of Annexure I for determination of normal value only if the responding Chinese companies establish that their costs and price information is such that individual normal value and dumping margin can be determined. If the responding Chinese companies are not able to demonstrate that their costs and price information can be adopted, the Designated Authority shall reject the claim of individual dumping margin.
- c. In the present investigation none of the responding producers/ exporters have filed response to the Market Economy Treatment questionnaire.
- d. For determination of normal value of China PR, the domestic industry made efforts to get evidence of the price at which the product is sold in the third country market, but since the product is produced in various grades, no evidence could be collected. Efforts were also made to collect information with regard to cost of production in other countries but there was no published information for the same. Further, since the product is sold in various grades, the normal value could not be determined by the price from third country to other country, including India. Therefore, the domestic industry has constructed the cost of production with reasonable profit margin for determination of normal value of China.
- e. Export price has been calculated on the basis of DGCI&S transaction wise import data with adjustments.
- f. The dumping margin is positive and substantial for each of the subject countries.
- g. The domestic industry submitted that none of the exporters from China PR have responded and the responding exporter from Russia has not cooperated with the Authority by failing to file questionnaire response and participating in the investigation. The domestic industry requested the Authority to use adverse facts available and apply the highest duty against the exporters on the basis of the information filed by the Domestic Industry.
- h. In the absence of the questionnaire response by the exporters from subject countries, the dumping margin for the purpose of the present investigation is required to be determined on the basis of the facts available.
- i. In response to the contentions of the respondents regarding the normal value of Russia, the domestic industry submitted that the normal value based on cost of production of the domestic industry is business sensitive and that range has been provided. Further, the Russian ministry themselves have made no efforts to provide the Authority any information. The domestic industry has provided information to the best of its abilities.

G.2. Submissions of other interested parties

37. The following submissions have been made by the by the exporter/ producer/ other interested parties in response to the arguments of the domestic industry:
- a. Data relating to Normal value and dumping margin of Russian product claimed confidential. The application provides the estimated normal value in range and the rest of the data is treated confidential, thereby making it difficult to understand if the calculation was correct. The role of data in second row of the dumping margin calculation table is not clear. No Non-confidential summary providing an understanding of the confidential information has been furnished and hence deprived the Russian side of the opportunity to assess the accuracy of the calculations.
 - b. The Applicant merely states that “efforts have been made to get authentic evidence”, without explaining what these efforts actually included, and why they ultimately failed to bear fruit.
 - c. The Application fails to provide sufficient explanation whether the Applicant had reasons to proceed from the primary source of data for normal value to secondary sources in its efforts of data collection.
 - d. The Applicant has proceeded from the calculations of the normal value of the like products in China in order to calculate the normal value in Russia. The Authority had absolutely no right to accept such calculations of normal value of Russian products. Russia’s WTO accession protocol includes no commitments similar to the ones provided for in China’s Accession Protocol. Evidence of dumping collected by Applicant cannot be accepted unless it conforms to Article 2 of the Anti-Dumping Agreement.
 - e. There is no justification in the Anti-Dumping Agreement for accepting the Application which includes data on constructed value in India instead of constructed value in Russia.

G.3. Examination by the Authority

38. Under section 9A (1) (c), 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:*
 - (a) 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*
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);
 - (b) 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 transhipped 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.

39. The Authority sent questionnaires to the known producers/exporters from the subject countries, advising them to provide information in the form and manner prescribed by the Authority. However, none of the exporters from the subject countries have co-operated in this investigation by filing the prescribed questionnaire responses.
40. The normal value and export price for all producers/exporters from the subject countries have been determined as below:

G.4 Determination of normal value

Normal Value for Non-Cooperative Exporters from Russia

41. The Authority notes that, only Omsk Group, Russia responded to the present investigation. However, the exporter has not filed prescribed questionnaire response. Therefore, the normal value is required to be determined based on facts available in view of non-cooperation by the exporters.
42. Since none of the producers / exporters from Russia have participated in the investigation and the determination of dumping margin requires grade wise normal value on quarterly basis, the normal value has been determined on the basis of facts available in terms of Rule 6(8) of the Rules. The normal value has been determined on the basis of estimates of cost of production in Russia, with reasonable addition for SGA and profits. Costs on account of major raw materials has been determined on the basis of facts available with regard to major raw material consumption factors and international price of these major raw materials. Conversion costs and SGA have been determined on the basis of Indian experience, as facts available. Reasonable profit has been considered as 5%. The normal value so determined is mentioned in the dumping margin table.
43. For the purposes of ensuring fair comparison and in view of significant difference in the cost of production of different grades, separate normal value has been calculated for each grade of subject goods produced and sold. Further, in view of significant difference in cost of production and resultant selling price over time period within the POI, separate normal value has been calculated for each quarter of the period of investigation. However, the dumping margins so arrived for different grades and for each quarter have been weighted averaged for the entire 'period of investigation' and for the 'product under consideration' as a whole by considering associated export volumes.

Normal Value for China PR

Market Economy Status for Chinese Producers

44. 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 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 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 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.

(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 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 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."

45. 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. It is noted that since the none of the producers/ exporters from China PR have submitted response to questionnaire in the form and manner prescribed, the normal value computation is required to be done as per provisions of para 7 of Annexure I of the Rules.

46. The prices or constructed value of the product in an appropriate market economy third country or the prices from such third country to other countries, including India, has neither been made available by the Applicant or an interested party, nor is available with the Authority from any public source. Thus, normal value has been determined on the basis of price paid or payable in India, duly adjusted to include profit, which has been determined considering cost of production in India, after addition for selling, general & administrative expenses and reasonable profits. The normal value so determined is given below in dumping margin table.
47. For the purposes of conducting a fair comparison and in view of significant difference in the cost of production of different grades, separate normal value has been calculated for each grade of subject goods produced and sold. Further, in view of significant difference in cost of production and resultant selling price over time period within the POI, separate normal value has been calculated for each quarter of the period of investigation. However, the dumping margins so arrived for different grades and for each quarter have been weighted averaged for the entire 'period of investigation' and for the 'product under consideration' as a whole thereafter by considering associated export volumes. The Authority has determined the weighted average normal value accordingly.

G.5. Determination of export price

48. None of the exporters/producers from China PR and Russia have co-operated in the present investigation. Therefore, export price in respect of non-co-operative exporters from China PR and Russia has been determined as per facts available in terms of Rule 6(8) of the Rules. For the purposes of conducting a fair comparison and in view of significant difference in the cost of production of different grades, separate export price has been calculated for each grade of subject goods produced and sold. Further, in view of significant difference in cost of production and selling price over time period within the POI, separate export price has been calculated for each quarter of the period of investigation. For the purpose, the Authority has considered imports as reported in the DGCIS and adjustments as per facts available. The ex-factory export price as determined is given in the dumping margin table.

G.6 Determination of dumping margin

49. Considering the normal value and export price for subject goods, the dumping margins for all producers/exporters of the subject goods from the subject countries is determined as follows:

Dumping margin

Country	Unit	China PR	Russia
Normal Value	USD/MT	***	***
Net Export Price	USD/MT	858	836
Dumping Margin	USD/MT	***	***
	%	***	***

	% Range	5-15	5-15
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INJURY AND CAUSAL LINK

H. EXAMINATION OF INJURY

50. Rule 11 of the Rules read with Annexure–II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “.... *taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles....*”. In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.
51. Rule 23 of the Rules provides that the provisions of Rule 6, 7, 8, 9, 10, 11, 16, 18, 19 and 20 shall apply mutatis mutandis in case of a review. The Authority in its examination has evaluated the injury parameters which are required under Rule 11 and Annexure II of the Rules and has also examined as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.
52. M/s Carbon Black Manufacturers Association (CBMA) has filed an application before the Designated Authority (hereinafter referred to as the “Authority”), on behalf of the domestic producers namely, Phillips Carbon Black Limited, Himadri Speciality Chemicals Limited, Continental Carbon India Limited and Birla Carbon India Private Limited. The participating companies namely Phillips Carbon Black Limited; Himadri Speciality Chemicals Limited, and Continental Carbon India Limited have provided the prescribed information. Birla Carbon India Private Limited has not provided relevant information. Therefore, in terms of Rule 2(b) of the Rules, the three participating companies have been treated as the domestic industry for the purpose of the present investigation. Therefore, the injury information of the three participating companies, constituting the domestic industry as defined in Rule 2(b), have been examined.

H.1. Submissions of the domestic industry

53. The following submissions have been made by the domestic industry with regard to the injury and causal link:
 - a. The demand for subject goods increased till 2018-19 and thereafter declined in the period of investigation. The decline in demand can be attributed to the decline in the auto industry. However, the continued dumped imports have aggravated the injury suffered by the already vulnerable domestic industry.
 - b. Even though the imports from subject countries declined during the POI, it has increased as compared to base year despite the existence of anti-dumping duty. The imports have increased in relation to production and consumption in India as compared to base year.

- c. The imports from subject countries constitute 45% of the total imports despite the existence of anti-dumping duty.
- d. The import prices of the PUC have declined during the period of investigation. Due to continued price pressures from imports faced by the domestic industry, the domestic industry was forced to reduce their prices, as is evident from the table below. This is despite the existence of the anti-dumping duty against the subject countries. Further, the prices of imports have constantly and significantly been lower than the prices of the domestic industry.
- e. The imports are undercutting and underselling the prices of the domestic industry. Further, the imports are also depressing the prices of the domestic industry. The capacity has increased over the injury period despite which the production declined. Capacity utilization of the domestic industry also declined over the injury period.
- f. Sales of the domestic industry increased in 2017-18 but declined in 2018-19 and POI.
- g. Market share of the domestic industry declined over the injury period while the market share of subject countries increased as compared to base year. This is despite ample capacities in the hands of the domestic industry to cater to the Indian demand for the subject goods.
- h. Inventories declined in 2017-18 but increased substantially in 2018-19 and the POI.
- i. Profitability declined in the POI and so did cash profits, PBIT and ROI. On a quarterly basis, the profitability declined consistently and the domestic industry suffered losses in the fourth quarter of 2019-20.
- j. Performance of domestic industry has declined significantly and will likely deteriorate in the event of cessation of the existing anti-dumping duty.
- k. The dumping margin for each of the subject countries is more than de-minimus and significant.
- l. Growth has been negative in terms of production, sales, selling price, profitability, cash profits, PBIT, ROI and inventories.
- m. Imports are undercutting and underselling the prices of the domestic industry. Resultantly, the volume of imports has increased significantly;
- n. Price undercutting being caused by the dumped imports has led to the price depression.
- o. The price depression effect of dumped imports from subject countries has resulted in significant erosion in profitability of the domestic industry in the period of investigation.
- p. Deterioration in profits, return on capital employed and cash profits are directly a result of dumped imports;
- q. Imports have resulted in decline in domestic sales, and consequently production and capacity utilisation of the domestic industry.
- r. Increase in imports has resulted in increase in inventories with the domestic industry.
- s. As regards the argument that the domestic industry is suffering injury due to inherent deficiencies based on statements made in Annual Reports, the domestic industry submitted that public statements in the annual report do not alter the conclusion that dumping of the product has contributed to the injury to the domestic industry. It has been wrongly assumed that dumping is the sole cause of injury. The statements in the annual report are not with regard to deterioration in performance of domestic industry over the injury period and they are concerned with overall operations of the company

- and the reasons for dumping. Annexure II covers whether imports are suppressing or depressing the prices of the product in the market.
- t. In response to the contention that the price of CBFS has declined leading to decline in non-injurious price, the domestic industry submitted that though the decline in CBFS prices would lead to decline in cost of the domestic industry, it does not imply that injury has not occurred.
 - u. In response to the contention that the decline in CBO raw material price reflected decline in overall import price, the domestic industry submitted that, Carbon black manufactured by domestic industry from CBFS has been considered as like article to the carbon black imported from China made from CBO. Both the products are used interchangeably by the users. Therefore, despite decline in prices of CBO and consequent prices of Carbon black is not sufficient to withdraw the duty until it is proved that imports of the product under consideration from subject countries are not at dumped prices and are not causing injury to the domestic industry.
 - v. In response to the contentions of the respondents regarding the non-injurious price, the domestic industry submitted that the arguments are based on assumptions and presumptions. The imports are underselling the prices of the domestic industry.
 - w. As regards the argument that the widening spread between CBO and CBFS reduces China's competitiveness, the domestic industry submitted that the argument is factually incorrect. The imports from China are undercutting and underselling the prices of the domestic industry.
 - x. The present investigation being a sunset review investigation, there is no legal requirement of continuation of increase in imports in a sunset review investigation. In the present case, the imports of the product under consideration has increased as compared to base year and has declined as compared to the previous year. Subject countries hold major share in the total imports into India. Slowdown in Auto sector made the domestic industry more vulnerable. Imports from subject countries at dumped prices have aggravated the injury to an already vulnerable domestic industry.
 - y. As regards the argument of 22% ROCE being unrealistic, the domestic industry submitted that the Authority has a practice to allow 22% return in all situations and therefore principles of equity demand is applied to all situations. The Authority has been allowing the ROCE at 22% for so many years and almost in every case without considering the actual rate of return earned by the domestic industry during the period when there was no dumping.
 - z. As regards capacity utilization, the domestic industry submitted that the capacity utilization of the domestic industry was never at 90%. It declined significantly in the POI.
 - aa. In response to the argument with regard to a break in causal link, the domestic industry submitted that Article 11.3 only requires authorities to determine whether the expiry of duties would be likely to lead to continuation or recurrence of injury. There is no requirement to establish causal link. The domestic industry has relied upon the WTO Appellate Body's observations in United States – Anti-Dumping Measures on Oil Country Tubular Goods (OCTG) from Mexico. As regards imports from other countries, the present investigation being a sunset review investigation, any new country cannot be added. As regards increase in depreciation and amortization expenses, the decline in profits before and after depreciation and profits before and

after interest is far higher. As regards productivity, the decline in productivity is only 1 index point which is not significant.

- bb. As regards the argument that additional information needs to be filed, the domestic industry submitted that the information for updated POI has been filed within time period.

H.2. Submissions of other interested parties

- 54. The following submissions have been made by the producer/ exporter/ other interested parties with regard to Injury and causal link:
 - a. Inclusion of Birla Carbon will show that the domestic industry is suffering injury due to inherent deficiencies or is affected by factors other than dumped imports. Birla Carbon has performed significantly well in the POI. It has production capacity of 3, 14,000 MTPA which will be augmented to 3, 86,000 MTPA by August 2020 and sales of 2, 78,254 MT in FY2020. Birla Carbon has an estimated capacity market share of approximately 30-34% and is operating at almost full capacity utilization. The Operating Profit before Depreciation, Interest and Taxes % increased from 15.3% in 2018-19 to 20.8% in 2019-20. Return on capital employed has increased from 22.8% in 2018-19 to 36.7% in 2019-20. Reference has been made to ICRA Report. The reason for non-participation should be examined for malafides.
 - b. Claim of the domestic industry concerning material injury is completely baseless and incorrect as there is no material injury suffered by the domestic industry on account of import of PUC from the subject countries.
 - c. Since the price of CBFS, which constitutes 85% of the cost of carbon black has reduced, the non-injurious price of the domestic industry has reduced by nearly 50% as compared to the Original Investigation, thereby removing injury to the domestic industry.
 - d. Chinese Manufacturers use CBO and the domestic industry uses CBFS. CBFS prices have fallen at a much higher rate than CBO. Reference has been made to a market Report by Edelweiss, Chinese coal tar prices rallied in 2017, almost tripling since November 2016 making crude based CBFS competitive vis-à-vis CBO. With pollution concerns in China likely to remain elevated, coal tar prices will remain high in the future. PCBL in its investor presentation dated October 2020 has admitted that the increasing gap between CBO and CBFS prices has continued even in the post-POI period. Decline in CBO raw material price reflected in the decline in overall import price. Decline in import price cannot relate to increased dumping as there is a clear correlation with decline in raw material prices with decline in import prices.
 - e. Non-injurious price of the domestic industry is much lower in the POI of the present SSR investigation, and the import prices should be higher than the non-injurious price. The DI has admitted in the oral hearing that non-injurious price in the present investigation is lower as compared to the original Anti-Dumping investigation against the PUC.
 - f. The domestic industry itself admits that the widening spread between CBO and CBFS reduces China's competitiveness. The imports will continue to come at high landed prices above the non-injurious price of the domestic industry on account of the widening difference between CBO and CBFS prices, even in the post POI period.

- g. There is a substantial increase in import volume of PUC from other countries. Import volume from subject countries declined steeply due to the decline in demand during POI as compared to the decline in imports from non-subject countries. The market share of imports of PUC from subject countries has only slightly increased by 18% during the same period and has declined considerably during the POI by 59% as compared to previous year while the market share of other countries during the same year increased by 22%.
- h. As per the data provided by the domestic industry, there was negative price undercutting during 2017-18 when the landed price of imports from subject countries was INR 75,136/MT. Domestic industry is now claiming positive price undercutting during the POI at the landed price of INR 73,473/MT, which is a difference of mere 2%. The domestic selling price has seen an increase by 52% during the POI and the cost of sales has seen an increase by 40%, as compared to the base year. Moreover, during the same period, the landed value of imports from subject countries also increased by 47% and therefore there is no price suppression or depression. The decline in cost of sales and selling price of the domestic industry by 2% and 8% during the POI as compared to previous year can be attributed to the decline in demand for the PUC during the POI which has impacted its performance in the domestic market. Despite the drop in demand, the domestic selling price still shows an increase of 52% against the base year.
- i. Price underselling is negative in POI and Post POI period. NIP calculation is incorrect as domestic industry expects 22% ROCE and such estimate is unrealistic and not as per industry norms and no evidence has been provided for the same. Average industry norm for return on capital employed is 10% and the same should be considered by the Authority. Reference has been made to Indian Spinners Association v. Designated Authority and M/s Bridgestone Tyre Manufacturing v. Designated Authority wherein CESTAT held that fixing a fixed ROCE at 22% was artificial and against market reality.
- j. Capacity utilization of domestic industry was 90% or more in the POI and any slight decline is on account of decline in demand in the automobile industry. Installed capacity of the DI has increased throughout the injury period which shows progress in the performance of the DI for last few years. The installed capacity has increased from 6, 76,000 MT to 7, 90,000 MT from the base year, leading up to the POI. The DI has added 1, 14,000 MT to its capacity during the POI. Production of the DI has increased from 5, 17,272 MT in the base year to 5, 51,774 MT during the POI. Domestic sales have also increased from 4, 27,128 MT in the base year to 4, 28,317 MT in 2018-19. Slight decline is due to drop in demand. The export sales have increased indicating that the domestic industry is voluntarily focussing on exports resulting in decline in domestic sales.
- k. The Profitability of the domestic industry has increased because the selling price of the domestic industry has increased by 52% during the POI in comparison to the base year. During the same period, the domestic industry's profit increased by 191%, its profit before interest and tax increased by 637%, cash profit of the domestic industry increased by 303% and return on capital employed increase by 562%.
- l. There is a break in the causal link between alleged injury and subject country imports. The domestic industry, in alleging injury due to imports of the PUC from subject

- countries, has not segregated the injury on account of imports from third countries and the subject country imports. Any injury to domestic industry to be attributable to other factors such as fall in demand/consumption of PUC due to economic slowdown in automobile sector in India. Injury to domestic industry has substantially increased due to imports from non-subject countries. The depreciation and amortization expense has increased from 100 indexed points in 2016-17 to 148 indexed points during the POI and loss cannot be attributed to the imports of PUC from the subject countries. The decrease in productivity per day of the employees from 100 indexed points in 2016-17 to 99 indexed points in POI and is attributable to decrease in production quantity of the domestic industry.
- m. Although the Authority chose to rely on comparable periods, the Applicant has not provided the Authority with the data for 1st January 2020 – 31st March 2020. Therefore, at the beginning of the review, the Authority appears not to have comprehensive and reliable data for the period. Additional data for 1st January 2020 – 31st March 2020 to be collected.
 - n. Capacity, production, profit before interest and tax, cash profit, wages, number of employees and productivity per day has shown positive trend in 2016-17, 2017- 18, 2018-19 financial years and therefore Indian Industry is not suffering or threatened by injury.
 - o. There is no causal link. There is lack of influence of Russian imports on Indian Industry as the decrease in performance of Applicant coincides with decrease in imports by 53% and share of Russian goods from 11, 08% to 6,99% in Indian market in April – December 2019 (A). Other factors such as increase in imports from China or third countries, decrease in demand in India affected the Indian Industry. Applicant also increased production capacities during period under review and the share of capacity utilization was declining. Measure not to be extended for the Russian product.

H.3 Examination by the Authority

- 55. The Authority has taken note of the submissions made by the interested parties. Annexure-II of the Anti-Dumping Rules provides for objective examination of both (a) the volume of dumped imports and the effect of the dumped imports on prices in domestic market for the like articles; and (b) the consequent impact on domestic producers of such products.
- 56. According to Section 9(A)(5) of the Customs Tariff Act, 1975, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time-to-time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of the order of such extension.
- 57. In consideration of the various submissions made by the interested parties in this regard, the Authority proceeds to examine the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject country.

58. It is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration, while some others may not. The Authority considers all injury parameters and, thereafter, concludes whether the domestic industry has suffered injury due to dumping or not. The Authority has examined the injury parameters objectively taking into account the facts and arguments submitted by the domestic industry and other interested parties.
59. As regards submission of the applicant and other interested parties concerning methodology of determination of NIP, the Authority notes that relevant guidelines in this regard is well laid down under Annexure III of Antidumping Rules. The authority has determined NIP for the domestic industry on the basis of provisions laid down under Annexure-III of the Rules.
60. As regards the submission that alleged injury to the domestic industry is due to inherent deficiencies and as per the annual report there are other factors for the decline in their performance, the Authority notes that it's a case of continued dumping of subject goods from the subject countries.
61. The Authority has taken note of the submissions made by the interested parties. Annexure-II of the Anti-Dumping Rules provides for objective examination of both (a) the volume of dumped imports and the effect of the dumped imports on prices in domestic market for the like articles; and (b) the consequent impact on domestic producers of such products.
62. According to Section 9(A)(5) of the Customs Tariff Act, 1975, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time-to-time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of the order of such extension.
63. In consideration of the various submissions made by the interested parties in this regard, the Authority proceeds to examine the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject countries.
64. The Authority has examined the injury parameters objectively taking into account the facts and arguments submitted by the domestic industry and other interested parties.

H.3.1 Volume effect of dumped imports on domestic industry

a. Assessment of demand/ apparent consumption

65. The Authority has taken into consideration, for the purpose of the present investigation, demand or apparent consumption of the product in India as the sum of domestic sales if Indian Producers and imports from all sources.

Demand in India	Unit	2016-17	2017-18	2018-19	POI
Sales of Domestic Industry	MT	427,128	429,184	422,082	393,322
Sales of other Indian producers	MT	***	***	***	***
Import from Subject Countries	MT	65,064	79,820	134,349	74,053
Imports from Other Countries	MT	32,978	76,955	100,862	94,091
Total Indian Demand	MT	806,096	864,657	949,390	823,902

66. It is seen that the demand for the subject goods increased till 2018-19 but declined in the POI. However, the overall demand has increased in the period of investigation as compared to the base year. The domestic industry submitted that this decline in demand is attributable to the constraints of the Automobile Industry in India.

b. Import Volumes from subject countries

67. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of injury analysis, the Authority has relied on the transaction wise import data procured from DGCI&S. Factual position is as follows:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Subject Countries	MT	65,064	79,820	134,349	74,053
China	MT	51,687	55,944	108,281	61,934
Russia	MT	13,377	23,876	26,068	12,119
Other countries	MT	32,978	76,955	100,862	94,091
Total Imports	MT	98,042	156,775	235,210	168,144
Demand/Consumption	MT	806,096	864,657	949,390	823,902
Indian Production	MT	517,272	517,911	531,853	507,368
Imports in relation to					
Total Imports	%	66.36%	50.91%	57.12%	44.04%
Indian Production	%	12.58%	15.41%	25.26%	14.60%
Total Consumption	%	8.07%	9.23%	14.15%	8.99%

68. It is seen that:

- a) The volume of imports from the subject countries has increased until 2018-19 but declined during the POI. The volume of imports has increased in the period of investigation as compared to the base year.
- b) Imports from the subject countries remain significant in the total imports into India.
- c) The volume of imports in relation to Indian production and total consumption has increased as compared to base year.

H.3.2 Price effect of the dumped imports

69. 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 the normal course. The impact on the prices of the domestic industry on account of the dumped imports from the subject countries has been examined with reference to price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis, the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with landed price of imports of the subject goods from the subject countries.

a. Price undercutting

70. For the purpose of price undercutting analysis, the selling price of the domestic industry has been compared with the weighted average import price from the subject countries. Accordingly, the undercutting effects of the dumped imports from the subject countries work out as follows:-

Particular	Unit	2016-17	2017-18	2018-19	POI
Selling Price of DI	Rs/MT	***	***	***	***
Trend		100	129	167	153
China					
Landed price without ADD	Rs/MT	50,211	78,255	88,742	73,906
Price undercutting without ADD	Rs/MT	***	***	***	***
	%	***	***	***	***
	Range	0-10	(10-20)	(0-10)	0-10
Russia					
Landed price without ADD	Rs/MT	49,489	67,827	89,227	69,286
Price undercutting without ADD	Rs/MT	***	***	***	***
	%	***	***	***	***
	Range	0-10	(0-10)	(0-10)	10-20
Subject Country					
Landed price without ADD	Rs/MT	50,063	75,136	88,836	73,150
Price undercutting without ADD	Rs/MT	***	***	***	***
	%	***	***	***	***
	Range	0-10	(0-10)	(0-10)	0-10

71. It is seen that the landed price of the imports from each of the subject countries is significantly below the selling price of the domestic industry. The imports from the subject countries are likely to undercut the prices of the domestic industry in the event of cessation of ADD.

Price suppression and depression

72. In order to determine whether the dumped imports are depressing or suppressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred in normal course,

the changes in the costs and prices over the injury period is examined. Table below shows factual position:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Cost of Sales	₹/MT	***	***	***	***
Trend		100	114	142	140
Selling Price	₹/MT	***	***	***	***
Trend		100	129	167	153
Landed Price	₹/MT	50,063	75,136	88,836	73,150
Trend		100	150	177	146

73. It is noted that during the injury period, the selling price of domestic like product has increased more than increase in cost of sales. However, while analysing the trends in the year to year, it is seen that the decline in selling price of the domestic industry during the period of investigation as compared to previous year was much more than the decline in its cost of sales. It is also noted that the landed price of imports from the subject countries is lower than the cost of sales of the domestic industry during the period of investigation. Therefore, the Authority notes that the imports from the subject countries have depressed the the prices of the domestic industry during the POI. Further, the landed price from subject countries have prevented the domestic industry to raise its selling price .

H.3.3 Economic Parameters of the Domestic Industry

74. Annexure II to the Rules provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. The various injury parameters relating to the domestic industry are discussed below.
75. The Authority has examined the injury parameters objectively taking into account various facts and arguments made by the interested parties.

i. Production, capacity, capacity utilization and sale

76. The Capacity, production, sales and capacity utilization of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Capacity - Plant	MT	676,000	692,000	733,000	785,000
<i>Trend</i>		<i>100</i>	<i>102</i>	<i>108</i>	<i>116</i>

Production – Plant	MT	555,797	559,067	570,638	551,759
<i>Trend</i>		<i>100</i>	<i>101</i>	<i>103</i>	<i>99</i>
Production -PUC	MT	517,272	517,911	531,853	507,368
<i>Trend</i>		<i>100</i>	<i>100</i>	<i>103</i>	<i>98</i>
Capacity Utilization -Plant	%	82.22%	80.79%	77.85%	70.29%
<i>Trend</i>		<i>100</i>	<i>98</i>	<i>95</i>	<i>85</i>
Domestic Sales	MT	427,128	429,184	422,082	393,322
<i>Trend</i>		<i>100</i>	<i>100</i>	<i>99</i>	<i>92</i>

77. It is seen that:

- The installed capacity of the domestic industry has increased over the injury period.
- The production of the domestic industry increased till 2018-19 but declined significantly in the POI. The production has declined in period of investigation as compared to base year as well as previous years.
- The capacity utilization of the domestic industry has declined throughout the injury period.
- The domestic sales have increased till 2017-18 but declined in 2018-19 and further in the POI. However, the sales in the period of investigation have declined as compared to base year

ii. Market share in Demand

78. Market share of the domestic industry is shown in table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Share of Petitioner Companies	%	52.99%	49.64%	44.46%	47.74%
Share of Other Producers	%	***	***	***	***
Share from Subject Countries	%	8.07%	9.23%	14.15%	8.99%
Share from Other Countries	%	4.09%	8.90%	10.62%	11.42%
Total	%	100.00%	100.00%	100.00%	100.00%

79. It is seen that the market share of the domestic industry and domestic producers as a whole have declined over the injury period. However, the market share of the subject countries has increased till 2018-19 but declined in period of investigation.

iii. Inventories

80. Inventory position with the domestic industry over the injury period is given in the table below:

Stock	Unit	2016-17	2017-18	2018-19	POI
Opening Stock	MT	***	***	***	***
Trend		100	65	43	136

Closing Stock	MT	***	***	***	***
Trend		100	67	208	229
Average Stock	MT	***	***	***	***
Trend		100	66	109	173

81. It is seen that the inventories with the domestic industry declined in 2017-18 but increased in 2018-19 and further during period of investigation. The closing stock is at the highest level during the period of investigation.

iv. Profitability, cash profits and return on capital employed

82. Profitability, cash profits and return on investment of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI	POI - Q1	POI - Q2	POI - Q3	POI - Q4
Profit/(Loss) per unit	Rs./MT	***	***	***	***	***	***	***	***
<i>Trend</i>		-100	170	303	100	137	155	116	-13
Profit/Loss	Rs/Lacs	***	***	***	***	***	***	***	***
<i>Trend</i>		-100	171	300	92	137	137	105	-12
Cash Profit	Rs. Lacs	***	***	***	***	***	***	***	***
<i>Trend</i>		-100	311	511	215	285	286	232	57
Return on Capital Employed	%	***	***	***	***	***	***	***	***
<i>Trend</i>		-100	983	1,369	468	672	707	562	87

83. It is seen that:

- The profitability of the domestic industry improved until 2018-19. However, the profitability declined significantly in the period of investigation.
- Cash profits, PBIT and Return on Capital Employed show the same trend as that of profitability.
- On quarterly basis, it is seen that the profitability has declined significantly during the period of investigation and the domestic industry has faced losses in the fourth quarter of the period of investigation.
- The PBIT and cash profits have also declined on a quarterly basis.
- The overall performance of the domestic industry has deteriorated.

v. Employment, wages and productivity

84. Employment, wages and productivity of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Wages	Rs. Lacs	***	***	***	***
Trend		100	118	135	165
Employment	Nos.	***	***	***	***
Trend		100	105	107	114
Productivity per day	MT	***	***	***	***
Trend		100	101	103	99
Productivity per Employee	MT	***	***	***	***
Trend		100	96	96	87

85. It is seen that:
- The wages paid and the number of employees have increased over the injury period and further in the period of investigation.
 - The productivity per day has increased till 2018-19 but declined during the period of investigation.
86. The domestic industry has submitted that these parameters are not reflective of the impact of dumped imports on the domestic industry.

vi. Growth

87. The growth of the domestic industry in terms of production, domestic sales volume, profits, etc., is as per given in the table below-

Growth	Unit	2016-17	2017-18	2018-19	POI
Production (MT)	%	0.00	0.59	2.07	-3.31
Domestic Sales Volume (MT)	%	0.00	0.48	-1.65	-6.81
Cost of Sales (Rs/MT)	%	0.00	13.86	25.15	-1.84
Selling Price (Rs/MT)	%	0.00	29.36	28.99	-8.32
Profit/ Loss (Rs/MT)	%	0.00	-269.77	78.67	-67.17
Cash profits (Rs. Lacs)	%	0.00	-410.87	64.53	-57.94
Return on investment (%)	%	0.00	-1083.06	39.27	-65.82

88. It is seen that the growth of the domestic industry has been negative in the period of investigation.

vii. Magnitude of Dumping Margin

89. Magnitude of dumping is an indicator of the extent to which the imports are being dumped in India. The investigation has shown that dumping margin is positive and significant in the period of investigation.

viii. Ability to raise capital investment

90. It is seen that the profitability of the domestic industry has declined in the period of investigation. With the competition being faced by the Domestic Industry because of the

dumped imports, the operations of the industry have been impacted which has affected its ability to raise capital investment. It is noted that the ability to raise capital investments is likely to be affected in the event of cessation of the existing anti-dumping duty.

viii. Factors affecting domestic prices

91. It is noted that the landed value of the subject goods from subject countries is below its net selling price . Further, the landed prices of subject imports have depressed the prices of the Domestic Industry leading to a significant decline in profitability during the period of investigation. Dumped imports from the subject countries are impacting the prices of the product in the market.

ix. Magnitude of price underselling/injury margin

92. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in Anti-Dumping 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 period of investigation. The NIP has been considered for comparing the landed price from the subject country for calculating injury margin. For determining the non-injurious price, 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 non-injurious price as prescribed in Annexure III of the Rules and being followed.

93. Since none of the producers/exporters from the subject countries have cooperated in the present investigation, for all the non-cooperative producers/exporters, the Authority has determined the landed price based on facts available.

94. Based on the landed price and NIP determined as above, the injury margin for producers/exporters is determined by the Authority and the same is provided in the table below:

Injury Margin

Country	Unit	China PR	Russia
Non-Injurious Price	USD/MT	***	***
Landed Value	USD/MT	1,031	967
Injury Margin	USD/MT	***	***
	%	***	***
	% Range	Negative	1-10

I. CAUSAL LINK AND NON-ATTRIBUTION ANALYSIS

95. The Authority examined any known factors other than the dumped imports which at the same time might have been injuring the Domestic Industry, so that the injury caused by these other factors, if any, is not attributed to the dumped imports. Factors which are relevant in this respect include, inter alia, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the domestic industry. The Authority examined whether factors other than dumped imports could have contributed to the injury to the Domestic Industry.

a. Volume and prices of Imports from Third Countries

96. It is seen that the imports from other countries are either attracting ADD or are de minimis or are at higher prices, except Korea RP, Columbia, Saudi Arabia and UAE. It is however seen that the injury margin in respect of each of these countries is negative and these countries are at present not attracting ADD.

b. Contraction in demand

97. The Authority notes that demand of the product under consideration has increased as compared to base year. However, the demand has declined in the present POI. This has further increased vulnerability of the domestic industry and the domestic industry is likely to face aggravated injury in the event of cessation of ADD.

c. Changes in Pattern of consumption

98. There have been no material change in the pattern of consumption of the product under consideration. Hence, changes in the pattern of consumption have not caused injury to the Domestic Industry.

d. Conditions of competition and trade restrictive practices

99. The Authority notes that the investigation has not shown that conditions of competition or trade restrictive practices are responsible for the claimed injury to the Domestic Industry.

e. Developments in technology

100. No evidence has been brought by any interested parties about existence of significant changes in the technology that could have caused injury to the Domestic Industry.

g. Export performance of the domestic industry

101. The Authority has considered data for the domestic operations only for the injury analysis. Therefore, export performance is not the cause for the injury to the Domestic Industry.

h. Performance of other products

102. The Domestic Industry has provided the injury data of PUC performance and the same has been adopted by the Authority for the purpose of injury analysis. Therefore, performance of other products produced and sold by the applicant is not a possible cause of the injury to the Domestic Industry.

Conclusion on Continuation of injury

103. The examination of the imports of the subject product and the performance of the domestic industry shows that the volume of dumped imports from subject countries has increased in absolute terms, and also in relation to Indian production, and demand in the POI compared to the base year. The imports from the subject country are undercutting the prices of the domestic industry. It is noted that during the injury period, the selling price of domestic like product has increased more than increase in cost of sales. However, while analysing the trends in the year to year, it is seen that the decline in selling price of the domestic industry during the period of investigation as compared to previous year was much more than the decline in its cost of sales. It is also noted that the landed price of imports from the subject countries is lower than the cost of sales of the domestic industry during the period of investigation. Inventories which have remained almost same till 2018-2019, has increased significantly during the POI. The production, sales, capacity utilization and market share of the domestic industry has declined during the POI as compared to base year. Inventories which have remained almost same till 2018-2019, has increased significantly during the POI. It is also noted that the operating performance of the Domestic Industry has deteriorated during the POI as compared to preceding year. Quarter wise analysis during the POI shows that it has suffered significant deterioration in its operating performance during the period of investigation.
104. On the basis of above analysis, it is concluded that the domestic industry's performance has improved till 2017-18 from the base year, however, it has suffered deterioration during the POI.

J. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

J.1. Submissions of the domestic industry

105. The following submissions have been made by the domestic industry with regard to the likelihood of continuation or recurrence of dumping and injury:

- a. The imports are undercutting the prices of the domestic industry.
- b. The foreign producers are faced with significant surplus production capacities far beyond that domestic demand.
- c. Considering the domestic consumption and exports, the foreign producers are faced with significant unutilised capacities.
- d. Considering the exports and production, the foreign producers are highly export oriented.
- e. The level of capacity utilisation of the foreign producers is quite low considering the nature of Carbon Black plants where producers tend to operate the plants at high levels in order to be viable.
- f. Considering the price undercutting, should the Indian producers reduce the prices by the amount of undercutting (in the event of cessation of ADD), the Indian producers will suffer financial losses and negative return on investment;
- g. The prices of CBFS in China are unreasonably and unrealistically low, leading to lower cost of production, which enables the Chinese producers to dump the product at any price;
- h. The current situation of the domestic industry is already extremely fragile in as much as production, capacity utilisation, sales volumes, inventories, profit, cash profits and return on investment have deteriorated in the POI.
- i. During the POI, the landed price of imports from subject countries is lower than the cost of sales of the domestic industry. The cost of sales decreased as compared to previous year, but the decline in selling price was much more than the decline in cost during the period. The price depression faced by the domestic industry within the POI clearly establishes vulnerability of the domestic industry. Under the circumstances, the domestic industry will suffer significant injury in the event of cessation of existing anti-dumping duties.
- j. Producers in subject countries are further expanding their capacities despite already existing surplus capacities.
- k. The likelihood claims of domestic industry with respect of Russia is not based on utilized capacities.
- l. As regards the contention that the domestic industry has not provided any evidence of excess capacities, the domestic industry submitted that the likelihood information is based on Notch Consulting report. As regards surplus capacities, the likelihood claim of the domestic industry is not based solely on surplus capacities. Also, the opposing parties have not provided any contrary evidence to dispute the claims of likelihood of the domestic industry.
- m. As regards the contention of the interested parties regarding the share of exports from China, the domestic industry submitted that the share of exports of PUC in overall exports from China to India is immaterial in the present investigation, which is a product specific investigation. Imports of product under consideration from China accounts for 37% of the total imports of product under consideration in India, which is significant despite Anti-dumping duty in existence.
- n. In response to the contention of the interested parties regarding the domestic demand in China and its capacities, the domestic industry submitted that as per evidence provided in the petition the current demand of the product under consideration (as on 2018) is 50,20,000MT. 7% increase in such demand will amount to a demand of

- 53,71,400 MT. The total capacities with China in 2018 is 77,00,000 MT which is in excess. Further, China is already faced with surplus and unutilized capacities. With plants of Birla Carbon and Jinneng Science & Technology coming up it will add to China's already excess capacities which will be sufficient to cater to Chinese demand as well as divert exports to India.
- o. In response to the contention that export orientation does not imply diversion of exports upon cessation of ADD, the domestic industry submitted that Export orientation indicates that the companies have built up their capacities for export markets and in the event of cessation of Anti-dumping duty, the exports to India will increase. Further increase in imports from subject countries as compared to base year despite Anti-dumping duty in existence establishes that in the event of cessation of Anti-dumping duty, the exports from subject countries to India will further increase.
 - p. In response to the contention that the Authority has refused extension if domestic industry's overall health has improved, the domestic industry submitted that there are a number of cases such as Diclofenac Sodium, Zinc Oxide, Acrylic Fibre – Thailand and Korea, Caustic Soda – Japan SSR, Hexamine SSR against Russia, SFS, Potassium carbonate, Hexamine – Iran, Coumarin SSR, etc where the Authority has continued duties in a situation when there are zero imports from the subject country and no injury to the domestic industry.

J.2. Submissions of other interested parties

106. The following submissions have been made by the producer/ exporter/ other interested parties with regard to likelihood of continuation or recurrence of dumping and injury:
- a. There is no likelihood of continuation or recurrence of injury. Application shows capacity utilization rate of Russian products reached 100, 9% in 2018 and therefore, No free capacities to increase exports with Russian producers. Russian goods are exported to different regions of the world and these flows are stable. Reference has been made to the data of the Federal Customs Service of Russia. Deliveries of the Russian products have already been allocated and due to 100% utilization rate of production capacities the Russian manufacturers cannot increase substantially their supplies to India should the measure be repealed.
 - b. There is no likelihood of recurrence of material injury due to PUC imported from subject countries if the anti-dumping duty is revoked in the present investigation.
 - c. There is no likelihood of injury to the domestic industry as admitted by PCBL and other factors. Domestic industry has merely made a blank statement without any evidence to substantiate the allegation of excess capacities in China and Russia. Merely having an excess capacity with the exporters does not in itself imply that it is meant to be diverted to India especially when the domestic industry has not provided any evidence in this regard. Reference has been made to Indian Spinners Association v. Designated Authority wherein it was held that mere existence of surplus capacity cannot be considered as threat of injury.
 - d. Exports of the PUC from China accounted for only 8% of its overall exports to India during the injury period and latest market projection show an even lower share of 6.1% in overall exports of carbon black from China. China already has a significant market in other parts of the world, thus, the question of diverting the same to India does not arise. Significant number of small plants for carbon black have closed down in China

on account of environmental concerns in 2017 and is expected to continue in future as well.

- e. The domestic demand in China is itself projected to increase at a CAGR of 7% by 2021 which is even higher than India's growth. Birla has invested and commissioned its largest plant in Jining in September 2017. If one of the major domestic producer of PUC is investing in setting up a new plant to cater to the domestic demand, it is inappropriate that imports from China would flood the Indian market after revocation of the existing anti-dumping duty. Further, the domestic industry has not provided any compelling evidence to demonstrate the same. Reference has been made to the Sunset Review Anti-dumping investigation concerning imports of White Cement originating in or exported from Iran and UAE wherein it was noted by the Authority that there was nothing suggestive of an excess availability of capacity with the producer which can be shipped at dumped prices to India in the event of revocation of duties.
- f. Merely because exporting countries are export oriented, does not automatically assume that these exports will necessarily be diverted to India upon cessation of ADD.
- g. Even if there is likelihood, Authority has refused extension as domestic industry's overall health was robust and had improved. Reference has been made to the SSR Investigation of the Sunset Review of Antidumping duty imposed on the imports of Nylon Filament Yarn originating in or exported from China PR, Chinese Taipei, Malaysia, Indonesia, Thailand and Korea RP wherein the Authority observed that the ADD has been in force for last 11 years and served its intended purpose.

J.3. Examination by the Authority

107. All factors brought to the notice of the Authority have been examined to determine as to whether there is a likelihood of continuation or recurrence of dumping or injury in the event of cessation of the duty. The Authority has considered various information, as made available by the Domestic Industry and other interested parties, in order to evaluate the likelihood of continuation or recurrence of dumping or injury.
108. The Authority has examined the likelihood of continuation or recurrence of 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. The present investigation is a sunset review of ADD earlier imposed on the imports of subject goods from China PR and Russia. Under the Rules, the Authority is required to determine whether continued imposition of ADD is warranted. This also requires a consideration of whether the duty imposed is serving the intended purpose of eliminating injurious dumping. There are no specific methodologies available to conduct such a likelihood analysis. However, Clause (vii) of Annexure II of the Rules provides, inter alia for factors which are required to be taken into consideration viz.:
- i. A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation;
 - ii. 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;

- iii. 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
- iv. Inventories of the article being investigated.

i. Continued & existing dumping and injury

109. The Authority notes that the imports of the PUC from the subject countries have remained significant despite anti-dumping duty in existence. Further, the dumping margin determined for the POI is positive, thus, there is a continuation of dumping of subject goods from subject countries. It is also seen that without adding the anti dumping duties, these imports are undercutting the Domestic Industry’s prices, thus a cessation of ADD is likely see positive undercutting. The landed price of subject goods from Russia are at a price below NIP of the Domestic Industry.

ii. Surplus capacities in subject country

110. The Authority, on the basis of submissions made by the interested parties and evidence on record, has summarized the information as under –

China PR		
Particulars	2018	2023 Forecast
Capacity KT	7,700	9,100
Demand KT	5,020	5,900
Surplus capacities KT	2,680	3,200
Indian demand KT	824	
Surplus capacity as % of Indian demand	325	

Russia		
Particulars	2018	2023 Forecast
Capacity KT	1033	1153
Demand KT	300	350
Surplus capacities KT	733	803
Indian demand KT	824	
Surplus capacity as % of Indian demand	89	

Notch consulting - Carbon Black World Book 2019

111. It is seen that the exporters in subject countries has unutilized capacities to the extent of 25% and 9% of its capacities respectively in China and Russia (*Notch consulting - Carbon Black World Book 2019*).

China PR		
Particulars	2018	2023 Forecast
Capacity KT	7,700	9,100
Production KT	5,806	7,000
Unutilized capacities KT	1894	2100
Indian demand KT	824	824
Unutilized capacity as % of Indian demand	230	230

Russia		
Particulars	2018	2023 Forecast
Capacity KT	1033	1153
Production KT	1042	1050
Unutilized capacities KT	-	103
Indian demand KT	824	
Unutilized capacity as % of Indian demand	-	

112. On the basis of information on record, the Authority notes that the exporter are highly export oriented and the above surplus capacities can be diverted to India in the event of cessation of ADD.

	2018	
	China	Russia
Production KT	5,806	1153
Exports KT	880	555
Export %	15%	48%
Indian demand KT	824	824
Current exports as % of Indian demand	107	67

Notch consulting - Carbon Black World Book 2019

iii. Price Undercutting and Attractiveness of India as a Market

113. It is noted that price undercutting is positive during the POI, and thus, cessation of ADD currently in place is likely to lead to intensified dumping causing injury in the form of low volume of sales, reduced selling price and decline in profits to the Domestic Industry.
114. The Authority is required to establish that the price prevailing in the domestic market i.e. India is attractive for the exporter to divert the quantity exported to the third countries. It is noted that the landed value of imports is below the net selling price of the Domestic Industry in the POI.
115. The Applicant has claimed that considering the price undercutting, if the Indian producers reduce the prices by the amount of undercutting (in the event of cessation of ADD), the Indian producers will suffer financial losses and negative return on investment.

iv. Further expansions by the producers in subject countries

116. Record evidence shows that the Producers in subject countries are further expanding their capacities despite already existing surplus capacities.

Location	Capacity (KTPY)	Scheduled
Volgograd (Russia)	40	2020
Omsk (Russia)	40	2021
Jinneng Science & Technology (China)	480	2020
Birla Carbon (China)	120	2021

Notch consulting - Carbon Black World Book 2019

K. POST DISCLOSURE COMMENTS

117. Post disclosure submissions have been received from the interested parties. These are examined as follows:

K.1 Submissions by the domestic industry

118. The submissions made by the domestic industry is as follows:
- While the Authority has determined dumping and injury margin on a quarterly basis, the same has not been disclosed. Only the profits, cash profits and ROI has been disclosed on quarterly basis.
 - The injury margin should also be determined grade wise and quarter wise, same as the calculation of dumping margin, in view of the significant difference in cost of production

and resultantly the selling price over injury period and within the period of investigation and within different grades of the product under consideration.

- c. On a quarter wise analysis, the injury margin with respect to China is positive in the first and last quarter of the period of investigation, therefore establishing that imports from China are likely to enter Indian market at injurious prices.
- d. On a quarter wise injury analysis, the profitability of the domestic industry has declined and turned into losses in the fourth quarter of the period of investigation.
- e. There is a need for extension of the existing anti-dumping duties on the subject goods from the subject countries.
- f. There is continued dumping and injury due to the import of subject goods from subject countries. No other known factors are causing injury or likely to cause injury to the domestic industry.
- g. The Russian and the Chinese imports are at injurious prices, i.e., below the non-injurious price of the domestic industry, during the period of investigation.
- h. The petitioner's concern is only against injurious imports and hence, price undercutting should be determined only considering those import transactions whose landed price of imports of below the non-injurious price. The domestic industry relied on the decision of the WTO Panel in EC – Anti-Dumping duties on malleable cast Iron Tube or Pipe Fittings from Brazil and submitted that the principle applied to the calculation of injury margin also. Reference was also made to the CESTAT Order in Kothari Sugars & Chemicals Limited versus Designated Authority, which allowed considering transactions above NIP to calculate injury margin. Therefore, the dumping and injury margin should be determined considering only injurious transactions and those undercutting the domestic prices.
- i. There is likelihood of dumping and injury to the domestic industry in the event of cessation of anti-dumping duty.
- j. Authority is requested to continue anti-dumping duty in the same form and in terms of USD.

K.2 Submissions by other interested parties

119. The submissions made by other interested parties are as follows:

- a. The question of diverting export volumes from existing markets to the Indian market does not arise as PCBL has admitted that Chinese prices are no longer competitive and that the domestic industry has the cost advantage of using Carbon Black Feed Stock ('CBFS') as the input against a pricier Carbon Black Oil ('CBO').
- b. Data provided in Edelweiss Report of January 2018 shows that China has a significant market in other parts of the world and the question of diverting the same to India does not arise. Relying of the data provided by domestic industry alone without adequate reasons

for the purpose of likelihood analysis when interested parties have also provided data cannot be considered to be an objective assessment and in accordance with principles of natural justice.

- c. Price attractiveness of market should be based on price underselling and not price undercutting. Consideration of price undercutting margin while evaluating 'price attractiveness of the Indian market' distorts the likelihood of recurrence of injury analysis.
- d. A positive price undercutting does not determine injury caused by dumping. The correct methodology to analyse price injury to the domestic industry is by comparing the landed price with the NIP.
- e. Negative injury margin in the disclosure statement implies that the landed value of PUC from China is higher and the domestic industry is not suffering injury due to dumping. It also implies that, assuming the exports are diverted to India, the landed value will still be higher than NIP and India will not be a price attractive market.
- f. In a determination made deciding whether anti-dumping duty is to be imposed or not, price underselling is the relevant factor than price undercutting. The Authority has failed to discuss how price undercutting is relevant for likelihood analysis when landed price of PUC from China is higher than NIP.
- g. The likelihood analysis in the disclosure statement is highly distorted and does not take into consideration the legal requirements under paragraph (vii) of Annexure II to the Indian AD Rules such as significant rate of increase of dumped imports and inventories of PUC. Reference has been made to Sunset review investigation concerning imports of 'Soda Ash' originating in or exported from China PR, European Union, Kenya, Pakistan, Iran, Ukraine and USA where it was observed that price undercutting is not the only determinative factor in a sunset review and all other factors has to be holistically examined.
- h. The Authority has not even examined whether the domestic industry has produced and supplied the speciality grade CB HP 1107 in the domestic market. The importing of this grade from China PR and Korea RP is irrelevant and anti-dumping duty cannot be levied on a product which is not manufactured by the domestic industry.
- i. The submissions of the user association did not challenge the standing of the domestic industry that was challenged, but rather raised concerns regarding the injury and economic parameters of Birla Carbon for objective assessment of injury.
- j. The point wise objections raised against the domestic industry's claims for confidentiality in its petition have not been addressed.
- k. The Authority has not made determination as to whether the present investigation qualifies as a 'special case' and why the Dry Cell Batteries case was not relevant to the present investigation.

- l. The Authority has not communicated that the responses filed by member companies of ATMA are incomplete during the course of investigation nor has the specific data points rendering it incomplete has been mentioned.
- m. While there may be continued dumping, it has not resulted in injury to the Domestic Industry as the injury margin for China is negative and for Russia is a mere 1-10%.
- n. The subject imports in relation to total imports have declined and has only increased slightly in relation to production and marginally in relation to consumption. Imports from third countries have increased by 206% in 2018-19 from base year and has declined only by 18% during POI compared to previous year. Increase in domestic industry's selling price is higher than the increase in cost of sales. The profitability indicators of the domestic industry has seen a significant increase, from negative to positive figures. A small decline in profitability from a significant high base cannot be concluded as injury to the domestic industry when other performance parameters are positive and landed value has significantly increased.
- o. The domestic producers have no difficulty in raising capital. The domestic industry's expansion of capacity means that it has ample ability to raise capital investments. Birla Carbon is also undergoing brownfield expansion of 72,000 MT at 400 crores in 2019.
- p. Negative injury margin for China implies that, following the lesser duty rule, the duty recommended will be negative. The anti-dumping investigation against China PR is liable to be termination and duty should not be extended.
- q. Domestic industry is increasing its export focus. While the Authority has mentioned that it has only considered data for domestic operations, it has determined that export performance of the domestic industry is not the cause of its injury.
- r. The Russian side is deprived of the opportunity to assess the degree of accuracy of calculations of both normal value and dumping margin. The methodology for calculation of normal value for Russia has not been sufficiently explained.
- s. There is an absence of injury from Russian supplies as the Indian domestic industry is in a prosperous state due to the positive dynamics of development evident from the economic parameters, profitability parameters, increase in market share of applicants and decrease in market share of imports from Russia and China in POI and the increase in wages and employment.
- t. The injury to the domestic industry is caused by other factors such as increasing imports from China or third countries but not attributable to imports from Russia and the present investigation is liable to terminated.
- u. Applicants failed to strengthen its position in the domestic market despite the trade remedial measures. Therefore, the quality and and cost characteristics of the Indian

carbon black is to be examined in order to determine the reasons for price volatility of Applicants.

K.3 Examination by the Authority

120. The Authority has examined the post disclosure submissions made by the interested parties and notes that most of the comments are reiterations which have already been examined suitably and addressed adequately in the relevant paras of the final findings. 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.

- a) As regards the domestic industry's argument that the injury margin and dumping margin has to be determined on a quarterly basis, the Authority has already conducted a quarter wise analysis of the injury margin and the dumping margin and the weighted average of these margins has been provided in this final finding in the relevant paragraphs.
- b) As regards the arguments of the respondents that there is absence of likelihood of recurrence of injury in the present investigation, the Authority has already conducted an objective assessment of the likelihood parameters, and the same has been provided in the relevant paragraphs along with the sources of the information.
- c) It has been contended that surplus capacity alone does not imply likelihood of injury to the domestic industry. It is however noted that in a situation where (a) foreign producers are faced surplus capacities, (b) price undercutting is significantly positive without ADD and is negative with ADD, (c) significant exports have been made to India and third countries at prices below the price prevailing in India, the foreign producers are likely to increase their exports to India in the event of cessation of ADD. Negative price undercutting in presence of ADD and positive price undercutting on withdrawal of ADD clearly implies a situation where imported product shall become attractive to consumers. Further, faced with surplus and unutilised capacities, foreign producers are likely to increase their exports to India. Thus, it is not surplus capacity alone, but surplus capacities coupled with positive price undercutting in respect to exports to India and third countries that would lead to increase in imports in the event of cessation of ADD.
- d) As regards the analysis of exports to third countries and possibilities of trade diversions, it is noted that in a situation where exports to third countries are at a price lower than the price to India and where export price to India is already lower than price prevailing in India, the Chinese producers are likely to get higher revenues in the event of diversion of these third country exports in India.
- e) The China customs data shows significant exports of the product to third countries at a price lower than price in India. The authority notes in regard that a detailed requirement has been prescribed by the authority in Exporters Questionnaire Part-II wherein the authority requires the exporters to provide invoice wise details of their exports to third countries. The purpose of the information is to ascertain the likely behaviour of Chinese producers in the event of cessation of ADD. However, none of the Chinese producers have cooperated with the authority and therefore the authority is constrained to apply facts available for making the present determination in accordance with Rule 6(8).

- f) As regards the contention of closing down of plants in China and decline in capacity in China, it is seen from China customs data that the actual volume of exports from China has shown a rising trend.
- g) As regards capacity addition by Birla Carbon, authority notes that the mere fact that the Birla Carbon is adding capacity in China does not imply that Chinese producers are not faced with surplus capacity. The interested parties have not been able to provide any evidence to show absence of surplus capacities in China. It may be added that despite letter to them asking for relevant information in the form and manner required, Birla carbon has not responded with the information to the Authority.
- h) As regards the contention that price attractiveness should be determined considering injury margin and not price undercutting, the authority notes that the price attractiveness has been determined in order to ascertain whether the foreign producers would be able to get a better price in Indian market. The attractiveness of Indian market is governed by the price at which Indian producers are selling the product and not by the NIP of the domestic industry. The purpose of determination of NIP is to quantify injury margin and not to decide whether foreign producers would find price in Indian market attractive. If the selling price of Indian industry is higher than the price at which Chinese producers are selling in Indian market or third country markets, it follows that Chinese producers would find Indian market attractive in the event of cessation of ADD.
- i) With regard to contention that the interested parties have contended that the domestic industry has not suffered injury, it is noted that performance of the domestic industry has in fact shown significant deterioration within POI. It is further noted that if the domestic industry sells at import price, it would suffer financial losses. This clearly shows that the domestic industry shall not be able to earn profit in the event of selling the product at the price matching to import price. The authority has thus concluded that the performance of the domestic industry is fragile.

Profit/Loss - Likelihood

Particulars	Unit	POI	POI - Q1	POI - Q2	POI - Q3	POI - Q4
Cost of Sales	Rs./MT	***	***	***	***	***
<i>Trend</i>		140	149	146	135	128
Potential Selling Price	Rs./MT	73,150	75,642	77,572	71,671	65,118
<i>Trend</i>		146	151	155	143	130
Profit/(Loss) per unit	Rs./MT	***	***	***	***	***
<i>Trend</i>		-73	-132	-49	-49	-108
Profit/Loss	Rs/Lacs	***	***	***	***	***
<i>Trend</i>		-68	-132	-43	-44	-97
Cash Profit	Rs. Lacs	***	***	***	***	***
<i>Trend</i>		-47	-127	-14	-19	-85
Return on Capital Employed	%	***	***	***	***	***
<i>Trend</i>		-74	-182	-38	-42	-130

- j) The interested parties have made reference to the decision of CESTAT in the matter of Kothari Sugars. The Authority however holds that the decision of CESTAT in the matter of Kothari Sugars has in fact shows that if imports are occurring at price below and above the NIP, it is only the imports below NIP that is the cause of injury to the domestic industry and these imports should be considered by the Authority. Thus, contrary to the argument of the interested parties, the decision of CESTAT in the matter of Kothari Sugars shows that average injury margin is misleading and is only the injurious imports that are relevant to decide whether the domestic industry is likely to suffer injury. In this case, it is noted that there are significant volumes of subject goods imports into India from subject countries which are below NIP of the domestic industry. It is also noted that significant volumes of subject goods are exported from subject countries to other countries at a price below the NIP of the domestic industry.
- k) As regards the argument that positive price undercutting does not determine injury due to dumping, it is noted that positive price undercutting is one of the indicators of likely injury to the domestic industry should there be a cessation of ADD on the subject goods from subject countries. With regard to other parameters concerning price injury, and price underselling/injury margin, the Authority has objectively assessed all the price parameters and the determinations made thereafter have been recorded in the relevant paragraphs.
- l) As regards the argument that other factors have caused injury to the domestic industry, the Authority has objectively assessed other factors that may cause injury to the domestic industry other than imports, and the determination have been provided in the relevant paragraphs of this final finding.

L. INDIAN INDUSTRY'S INTEREST

- 121. The Authority notes that the purpose of anti-dumping duty, 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. Imposition of anti-dumping measures would not restrict imports from the subject country/territory in any way, and, therefore, would not affect the availability of the product to the consumers.
- 122. It is recognized that the imposition of anti-dumping duty might affect the price levels of the product manufactured using the subject goods and consequently might have some influence on relative competitiveness of this product. However, fair competition in the Indian market will not be reduced by the anti-dumping measure, particularly if the levy of the anti-dumping duty is restricted to an amount necessary to redress the injury to the domestic industry. On the contrary, imposition of anti-dumping measure would remove the unfair advantages gained by dumping practices, prevent the decline in the performance of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.

M. CONCLUSION AND RECOMMENDATIONS

123. Having regard to the contentions raised, information provided and submissions made and facts available before the Authority as recorded in the above findings 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:
- There is continued dumping of the subject goods from subject countries and the imports are likely to enter the Indian market at dumped prices in the event of expiry of duty.
 - Though the performance of the domestic industry has improved till 2017-18 from the base year, yet it has suffered deterioration during the POI and thus, the domestic industry remains vulnerable due to dumping of the subject goods from the subject countries.
 - The information on record shows likelihood of continuation/ recurrence of dumping and injury in case the Anti-dumping duty in force is allowed to cease at this stage.
124. 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 dumping, injury and the causal link.
125. Having concluded that there is positive evidence of likelihood of dumping and injury if the existing anti-dumping duties are allowed to cease, the Authority is of the view that the anti-dumping duty in force on imports of the product under consideration from the subject countries is required to be continued further. Considering the facts and circumstances of the case, as established hereinabove, and keeping in view the fact that there was no cooperation from any producer and exporter from subject countries in this investigation, the Designated Authority considers it appropriate to recommend extension of the anti-dumping duties on imports of subject goods from China PR and Russia as per All others rate/residual rate determined during the last sunset review findings. Accordingly, the anti-dumping duties from subject countries as specified are recommended as per the duty table below. The Authority, thus, considers it necessary to recommend continuation of definitive anti-dumping duty, on all imports of the subject goods from the subject countries as per column 7 in the duty table below, for a further period of five years.

Duty Table

S. No. (1)	Sub-headin g (2)	Descript ion of goods (3)	Country of origin (4)	Country of export (5)	Producer (6)	Amount (7)	Unit of Measu- rement (8)	Curre ncy (9)
1	280300 10	Carbon Black used in rubber applicati ons*	China PR	Any country including China PR	Any	494.0	MT	USD

2	- do -	- do -	Any country other than subject countries	China PR	Any	494.0	MT	USD
3	- do -	- do -	Russia	Any country including Russia	Any	36.17	MT	USD
4	- do -	- do -	Any country other than subject countries	Russia	Any	36.17	MT	USD

* Note: Thermal Black and Carbon Black grade meant for semi conductive compound applications are excluded from the scope of the product under consideration.

126. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 8B, 9 and 9A of the Customs Tariff Act, 1975, as amended from time to time.
127. An appeal against the orders 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.

(B.B. Swain)
Special Secretary and Designated Authority