

To be published in Part-I Section I of the Gazette of India Extraordinary

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

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5, Parliament Street, New Delhi-110001

Dated: 30th December, 2017

Subject: Sunset review (SSR) investigation of the anti-dumping duties imposed on the imports of Saccharin from China PR

F.No.15/23/2016-DGAD (Case No. SSR 03/2017): Having regard to the Customs Tariff Act 1975, as amended from time to time (hereinafter also referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995, as amended from time to time (hereinafter also referred to as the AD Rules).

A. Background of the case

1. Whereas, the original anti-dumping investigation concerning imports of “Saccharin” (hereinafter also referred to as the subject goods), originating in or exported from China PR, was initiated by the Designated Authority (hereinafter also referred to as the Authority) vide Notification No 14/27/2004-DGAD dated 4th July 2005, into alleged dumping of Saccharin from China PR and consequent injury to the domestic industry.
2. And whereas, preliminary findings were issued on 1st April 2006 vide Notification No 14/27/2004-DGAD and provisional duty was imposed on the subject goods vide Customs notification No. 54/2006-Customs dated 6th June 2006. Subsequently, final Findings were issued on 3rd January 2007. Definitive antidumping duties were imposed, vide Ministry of Finance Notification 41/2007-Customs, dated 19th March 2007, on the imports of Saccharin (hereinafter referred to as the subject goods) from China PR (hereinafter referred to as the subject country).
3. And whereas, the Authority conducted a Mid Term Review (MTR) and recommended modifications of the duties vide the Findings Notification No 15/15/2008-DGAD dated 6th November 2009. The modified duties were imposed by

the Central Government vide Custom Notification No. 136/2009 dated 9th December 2009.

4. And whereas, subsequently the Authority initiated a sunset review of the above antidumping duty vide notification dated 31st May, 2010 and recommended continued imposition of definitive antidumping duties on the imports of the subject goods originating in or exported from the above country, vide Final Finding Notification No. 15/20/2010- DGAD dated 7th December 2011 and the duties were extended, vide Customs Notification No. 7/2012-Cus dated 13th January 2012, for a further period of 5 years i.e., till 12th January 2017.
5. And whereas, a duly substantiated application was filed by M/s Swati Petro Products Pvt. Limited, M/s Shree Vardayini Chemical Ind. Pvt. Ltd. and M/s A S Chemoparma Pvt. Limited (hereinafter referred to as 'applicant'), in accordance with the Act and the Rules, seeking initiation of a sunset review of the Anti-dumping duty in force on import of Saccharin for extending the duties for a further period of 5 years, alleging likelihood of continuation or recurrence of dumping of the above goods originating in or exported from the above country and consequent injury to the domestic industry.
6. Having satisfied that the applicants have substantiated the need for a review, the Designated Authority considered it appropriate to initiate sunset review vide notification no. F.No.15/23/2016-DGAD dated 10th January, 2017. The validity of the antidumping duty on the imports of the subject goods from the subject country was extended up to 12th January 2018 by the Central Government vide Notification No. 3/2017-Customs (ADD) dated 19th January, 2017.
7. The scope of the present review covers all aspects of the previous investigations concerning imports of the subject goods, originating in or exported from the subject country.

B. Procedure

8. The procedure described below has been followed in this investigation:
 - i. The Authority issued a public notice F.No.15/23/2016-DGAD (Case No. SSR 03/2017) dated 10th January 2017, published in the Gazette of India, Extraordinary, initiating the sunset review anti-dumping investigation concerning imports of the subject goods originating in or exported from the subject country.
 - ii. The Authority sent copy of the initiation notification dated 10th January, 2017 to the embassy of the subject country in India, known exporters from the subject country, known importers and other interested parties, and the domestic producers, as per available information. The known interested parties were requested to file questionnaire responses along with market economy treatment responses and make their views known in writing within the prescribed time limit. Copies of the letter and questionnaires sent to the exporters were also sent to embassy of China along

with a list of known exporters/producers, with a request to advise the exporters/producers from the subject country to respond within the prescribed time limit.

- iii. The copy of the non-confidential version of the application filed on behalf of the applicants was made available to the known exporters, other domestic producers and the embassy of China in accordance with Rule 6(3) of the Rules.
- iv. The Authority forwarded a copy of the public notice initiating the sunset review to the following known producers/exporters/representative organizations in the subject country and gave them opportunity to make their views known in writing within the prescribed time limit in accordance with the Rules:
 - a) Suzhou Fine Chemicals Group Company Ltd
 - b) Shanghai Fortune Chemical Co. Ltd.
 - c) Kaifeng Xinghua Fine Chemical Factory
 - d) Tianjin North Food Co. Ltd.
 - e) Tianjin Changjie Chemical Co. Ltd.
 - f) PMC Beijing Chemical Co. Ltd.
- v. However, no questionnaire response was received from any exporter/ producer of the subject goods from the subject country.
- vi. The Authority forwarded a copy of the Initiation Notification along with Importer's Questionnaires to the following known importers/users/user associations (whose names and addresses were made available to the Authority) of subject goods in India and advised them to make their views known in writing within the time limit prescribed by the Authority in accordance with the Rule 6(4).:
 - a) Eagle Trading company
 - b) Colgate Palmolive India Ltd
 - c) General Import Co India
 - d) Jagmohandas &. Sons
 - e) Speciality Chemicals
 - f) C J Shah &. Co
 - g) Grauer & Well India Ltd
 - h) Nandlal Bankatlal Pvt Ltd
 - i) Nectar Drugs P Ltd
 - j) Procter & Gamble Hygiene And Health
 - k) Sun Shine Cosmetics Ltd
 - l) Neeru Marketing P Ltd
- vii. However, no questionnaire response was received from any importer of the subject goods.
- viii. The Authority made available non-confidential version of the evidence presented by interested parties in the form of a public file kept open for inspection by the interested parties as per Rule 6 (7).

- ix. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non confidential version of the information filed on confidential basis and the same were kept in the public file maintained by the Authority as per the Rules.
- x. Optimum cost of production and cost to make & sell the subject goods in India based on the information furnished by the Domestic Industry on the basis of Generally Accepted Accounting Principles (GAAP) was worked out so as to ascertain if antidumping duty lower than the dumping margin would be sufficient to remove injury to Domestic Industry. The NIP has been determined by the Authority in terms of the principles laid down under Annexure III to the Antidumping Rules.
- xi. Period of Investigation in the instant investigation is July 2015- September 2016 (15 months). The injury investigation period covered is 2013-14, 2014-15, 2015-16 and the Period of Investigation (POI).
- xii. Further information was sought from the applicant to the extent deemed necessary. Verification of the data provided by the Domestic Industry was conducted to the extent considered necessary for the purpose of the investigation.
- xiii. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange for details of imports of subject goods for the past three years, including the period of investigation. The Authority has, therefore, relied upon the DGCI&S data for computation of the volume of imports and required analysis.
- xiv. The Authority held an oral hearing on 2nd November, 2017 to provide an opportunity to the interested parties to present relevant information orally in accordance to Rule 6 (6). Only domestic industry and its representative attended the oral hearing. The domestic industry was advised to file written submissions of the views expressed orally. The Authority has considered submissions received from the domestic industry appropriately.
- xv. A Disclosure Statement containing the essential facts in this investigation which would have formed the basis of the Final Findings was issued to the interested parties on 6th December, 2017. The post Disclosure Statement submissions received from the domestic industry has been considered, to the extent found relevant, in this Final Findings Notification.
- xvi. ***represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

xvii. The average exchange rate of 1US\$ = Rs 67.06 prevailing during the POI has been adopted by the Authority in this investigation.

C.PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

Submissions by the Domestic Industry

9. The Domestic Industry has made the following submissions with regard to the product under consideration (PUC):
- i. The product under consideration is “Saccharin” in all its form originating in or exported from China PR
 - ii. The Designated Authority in its last conducted investigation on subject goods held as follows in regard to product under consideration:

“Saccharin is a non-nutritive sweetener and considered to be low calorie substitute for cane sugar. Primarily there are two types of Saccharin i.e. soluble and insoluble. In market parlance soluble saccharin is called sodium saccharin whereas insoluble sodium saccharin is called insoluble saccharin. Apart from sodium saccharin, saccharin can have other variants such as calcium and zinc saccharin. Saccharin is produced in two physical forms, viz. granular and powder. Sodium saccharin in granular form is used in situations where saccharin will be dissolved, the powder form which has been grounded and spray dried is used in dry mixes and pharmaceuticals. It is slightly soluble in water. Insoluble form of saccharin is used in many pharmaceutical and medical applications. Saccharin is used in a variety of industry such as food and beverage, personal care products, table top sweeteners, electroplating brighteners, pharmaceuticals, etc. Saccharin is more than 500 times sweeter than sugar. All forms of Saccharin are within the scope of the present investigation. Being a sun set review; the PUC is the same as in the earlier investigations.

Saccharin is classified under Chapter 29 of the Customs Tariff Act, 1975 under sub-headings No. 29251100. The domestic industry claimed imports of subject goods under several other tariff sub-headings as well, which has been examined below. However, the Customs classification is indicative only and not binding on the scope of the investigations.”

- iii. Present petition being a sunset review petition, product under consideration remains the same as defined in the original investigation. Further, no significant developments have taken place over the period.
- iv. There is no known difference in subject goods produced by the domestic industry and subject goods imported into India. Saccharin produced by the

domestic industry and imported into India 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.

Submissions by the exporters/importers/other interested parties

10. None of the other interested parties have made any submissions with regard to the product under consideration.

Examination by the Authority

11. The product under the present investigation is ‘Saccharin’ In the original investigation, the product under consideration was defined as follows:

“ The product under consideration (PUC) in the present investigation is Saccharin originating in or exported from China PR. Saccharin is a nonnutritive sweetener and considered to be low calorie substitute for cane sugar. Primarily there are two types of Saccharin i.e. soluble and insoluble. In market parlance soluble saccharin is called sodium saccharin whereas insoluble sodium saccharin is called insoluble saccharin. Apart from sodium saccharin, saccharin can have other variants such as calcium and zinc saccharin. Saccharin is produced in two physical forms, viz. granular and powder. Sodium saccharin in granular form is used in situations where saccharin will be dissolved, the powder form which has been grounded and spray dried is used in dry mixes and pharmaceuticals. It is slightly soluble in water. Insoluble form of saccharin is used in many pharmaceutical and medical applications. Saccharin is used in a variety of industry such as food and beverage, personal care products, table top sweeteners, electroplating brighteners, pharmaceuticals, etc. Saccharin is more than 500 times sweeter than sugar. All forms of Saccharin are within the scope of the present investigation. Being a sun set review; the PUC is the same as in the earlier investigations.”

“Saccharin is classified under Chapter 29 of the Customs Tariff Act, 1975 under sub-headings No. 29251100. The domestic industry claimed imports of subject goods under several other tariff sub-headings as well, which has been examined below. However, the Customs classification is indicative only and not binding on the scope of the investigations.”

12. Since the present investigation is a sunset review investigation, the scope of the product under consideration is the same as that of original investigation. Moreover, none of the interested parties have made any submission requesting modification (including curtailment) in the scope of the review.
13. The Authority notes from the information available on record that the product under consideration produced by the domestic industry is like article to the goods imported from the subject country. Product under consideration produced by the Domestic Industry and imported from the subject country are comparable in terms

of physical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and are like article within the meaning and scope of Rule 2(d) of the Anti-dumping Rules.

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

Submissions by the Domestic Industry

14. The domestic industry has made following submissions in this regard:
- i. The Applicants are major producers of the like article in India. Production by applicants accounts for “a major proportion” of the domestic production. The petition is supported by Blue Circle Organics Pvt. Ltd.
 - ii. The applicants have not imported the subject goods from subject country during the period of investigation. Further, applicants are not related to any exporter or producer of the investigation. Further, applicants are not related to any exporter or producer of the subject goods in subject country or an importer or user of the product under consideration in India.
 - iii. Without prejudice to the legal position that the present investigations being sunset review investigations, the Authority is not required to ascertain standing of the applicants to file the present petition, the petition satisfies the requirement of standing under the Rules and applicants constitutes the domestic industry within the meaning of Rule 2(b) of the Rules.

Submissions made by the exporters/importers/other interested parties

15. None of the other interested parties have made any submissions with regard to the scope and standing of the Domestic Industry.

E. Miscellaneous Submissions

16. At the very later stage of investigation, M/s Sandeep organics stated vide email dated 21.11.2017 that they have sent the submission, but they have not received any correspondence from the Authority.

Examination by the Authority

17. The petition has been filed by M/s Swati Petro Products Pvt. Limited, M/s Shree Vardayini Chemical Ind. Pvt. Ltd. and M/s A S Chemoplarma Pvt. Limited. Blue Circle Organics Pvt. Ltd has supported the petition. Applicant companies have neither imported the subject goods nor are they related to any producer of subject goods in subject country or to an importer of subject goods. The production of the applicant companies constitutes more than 50% of Indian production. Applicants constitute the domestic industry as per Rule 2(b) and Rule 5(3) of the AD Rules.

Thus, the applicants are being treated as 'domestic industry' within the meaning of Rule 2(b) of the AD Rules.

18. The Authority examined the contentions of M/s Sandeep Organics and found that as per its records M/s Sandeep Organics is not an interested party, further they have neither filed any response, nor they have participated in the investigation proceedings. Authority communicated the same to M/s Sandeep Organics and further advised them to submit evidence/ proof of their claim. Moreover, an opportunity of personal hearing was also granted by the investigation team to them, but they failed to avail the same. Consequently, no evidence/proof regarding their claim was submitted by them to the Authority. Therefore, the Authority has rejected their claim.

E. NORMAL VALUE EXPORT PRICE AND DUMPING MARGIN

19. 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*
 - (b) *the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):*

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely 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.

20. The Authority sent questionnaires to the known exporters from the subject country, advising them to provide information in the form and manner prescribed. However, none of the producer/ exporter from subject country have co-operated in this investigation by filing their Questionnaires' responses.

E.1 Submissions made by the Domestic Industry

21. The domestic industry inter alia submitted as follows:
- i. Applicants have constructed normal value based on best available information.
 - ii. The investigation period considered by the Authority in the present case is July 2015 to September 2016 (15 months). The injury investigation period has been considered as the period 2013-14, 2014-15 and POI.
 - iii. The purpose of fixation of POI is to consider a period when the existence of dumping causing injury is claimed and established. The date of determination is not relevant to the moot question of dumping causing injury to the domestic industry. Since the factum of dumping causing injury to the domestic industry is established based on investigation period, the conditions prevalent during the investigation period alone should be considered relevant, appropriate and necessary for the purpose.
 - iv. The Chinese producers are required to be treated as non-market economy companies for the reason that the costs and prices in China do not reasonably reflect the market forces. Para 8 to Annexure-I specifies the parameters which should be considered for grant of market economy status. This also implies that unless these conditions are not fulfilled/ satisfied, the Chinese costs and prices cannot be adopted.
 - v. The consideration of market economy status is based on parameters prevailing during investigation period. Since the reason for rejection of Chinese costs and prices is distortion in the costs and prices in China due to the factors listed in Para 8 to Annexure-I, applicants submit that it is the investigation period that is relevant to decide consideration of Chinese producers as market economy companies.
 - vi. Since Chinese companies have been denied market economy status for the reasons mentioned in Para 8 of Annexure-I till December, 2016, applicants submit that the Chinese producers are required to be treated as non-market economy companies till such time the investigation period includes the period specified in Accession Treaty protocol.
 - vii. In the context of rule 2(b), it is well established legal position that the imports by a domestic producer or its relationship with an exporter or importer are examined with reference to the investigation period. If POI alone is relevant for standing purposes, POI alone should be relevant for normal value determination.
 - viii. Chinese producers are required to be treated as companies operating under non-market economy environment and the Authority may proceed to determine the normal value on the basis of Para 7 of Annexure-I.
 - ix. Normal value could not be determined on the basis of price or constructed value in a market economy third country for the reason that the relevant information is not publicly available. The applicants have claimed consideration of normal value on the basis of cost of production in India duly adjusted.
 - x. The dumping margin from China is not only significant, but also substantial, thus

establishing existence of significant dumping of the product under consideration in India. The import volume of China has remained significant throughout the present injury period.

E.2 Submissions made by producers/exporters/importers/other interested

Parties

22. None of the other interested parties have made any submissions with regard to normal value, export price and dumping margin.

E.3 EXAMINATION BY THE AUTHORITY

Market Economy status for Chinese producers

23. Article 15 of China's Accession Protocol 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) 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 non-market economy provisions of subparagraph (a) shall no longer apply to that industry or sector.”

24. Article 15 implies that provisions of one of the subparagraph shall expire 15 years from date of China’s Accession. The provisions of this paragraph expired on 11th Dec., 2016. Since the factum of dumping causing injury to the domestic industry is established based on investigation period, the conditions prevalent during the investigation period alone is relevant, appropriate and necessary for the purpose of present investigation. The Period of Investigation (POI) for the purpose of the present investigation is June 2015 to September 2016. Since the sub-paragraph of Article 15 was in existence during the period of investigation, the Authority may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.
25. The Authority notes that in the past three years China PR has been treated as non-market economy country in anti-dumping investigations by India and other WTO Members. China PR has been treated as a non-market economy country subject to rebuttal of the presumption by the exporting country or individual exporters in terms of the Rules.
26. As per Paragraph 8, Annexure I to the AD Rules as amended, the presumption of a non-market economy can be rebutted if the exporter(s) from China PR provide information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) in Paragraph 8 to prove market economy status. The cooperating exporters/producers of the subject goods from People’s Republic of China are required to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in response to the Market Economy Treatment questionnaire to enable the Designated Authority to consider the following criteria as to whether:
 - a) The decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values.
 - b) The production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts.
 - c) Such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms.
 - d) The exchange rate conversions are carried out at the market rate.
27. It is noted that none of the producers of subject goods in China PR have claimed market economy treatment, as none of the producer/exporter from China PR have

responded in the present investigation. Accordingly, the authority is not required to examine any of the above criteria for Chinese Producers and holds that producers/exporters from China PR are not operating under market economy conditions and therefore, has adopted the constructed normal value for determination on normal value in terms of Para-7 to Annexure-1 to the Rules.

E.4. Determination of Export Price

28. The Authority had sent questionnaire to the known producers/exporters of the product in China and also the Government of China. However, no questionnaire response has been received by the Authority from any producer or exporter of the subject goods in China. The Authority has, therefore, not been able to determine dumping margin in respect of producers/exporters from China on the basis of questionnaire response from the concerned producers/exporters. Export price in case of all producers in China has been determined on the basis of import data procured from DGCI&S. The export price has been determined on the basis of weighted average import price from DGCI&S. Price adjustments have been made on account of inland freight, overseas freight, international insurance, bank charges, port charges and VAT as per best available information on record in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level has been determined, which is indicated in the Table below:

SN	Particulars	UOM	POI
1	Import volume	MT	490
2	Import value	Rs. Lacs	3,003
3	CIF Value	Rs/Kg	613
4	Freight (50USD)/MT	Rs/Kg	***
5	Insurance (0.5%)	Rs/Kg	***
6	FOB Price	Rs/Kg	***
7	Commission	Rs/Kg	***
8	Bank Charge	Rs/Kg	***
9	Handling Charge	Rs/Kg	***
10	Port expenses	Rs/Kg	***
11	VAT @ 4%	Rs/Kg	***
12	Net Export price	Rs/Kg	***

E.5. DUMPING MARGIN

29. The export price of China to India has been compared with the normal value to determine dumping margin. The dumping margin during the POI for all exporters/producers from China has been determined as provided in the table below:

Particulars	Rs./kg	\$/KG
Constructed Normal value	***	***

Net export price	***	***
Dumping margin	***	***
Dumping margin %	15-25%	15-25 %

F. INJURY AND CAUSAL LINK

F.1 Submissions made by the domestic industry

30. Following are the submissions made by the domestic industry with regard to injury and causal link:
- i. The demand of the product concerned in India has shown a positive trend.
 - ii. Imports from China have slightly declined the injury period. This decline is on account of the existing anti-dumping duty on the imports of subject goods from the subject country. In an event the anti-dumping duty is revoked, the volume of imports will increase as the producers in China have huge quantity and due to their orientation to export the major proportion of subject goods.
 - iii. Subject imports are significant in terms of demand and production in India; Market share of subject imports in total imports is significant in the proposed POI.
 - iv. Imports from the subject country are undercutting the prices of the Domestic Industry in the Indian market. There existed a significant price undercutting in the injury period.
 - v. Both, costs of sales and selling price have increased throughout the injury period, thus there is no price suppression or depression effect. However, the landed price of imports have remained below the level of costs of sales and selling price. Thus in the event of revocation of duties, the imports from subject country is likely to cause suppressing effect on domestic industry's price.
 - vi. A comparison of landed price of imports, considering the prices being offered by the Chinese producers, with the cost of production of the domestic industry shows that the cessation of anti-dumping duty shall lead to significant price underselling in the market.
 - vii. The performance of the domestic industry has improved in terms of production and sales volume. However, dumped imports still capture a significant portion of the Indian market. This has resulted in sub-optimal volume of sales, production and under-utilization of capacity.
 - viii. Profits, cash flow and return on capital employed which were showing positive trends. However, the performance in terms of profitability was sub-optimal in the presence of dumped imports in the market. This clearly shows effect dumped imports can have on the profitability of the domestic industry.
 - ix. Inventories with the Domestic Industry have been significant in the proposed injury period.

- x. The employment and wages with the domestic industry has increased over the injury period. These parameters are dependent on a number of other parameters and not reflective of impact of dumping on the domestic industry
- xi. Production, sales, market share, profits, return on investment, cash profits, etc. has shown improvement since the base year. Further, the growth is significantly low in the presence of dumped imports from the subject country. Significant share in demand is still being captured by dumped imports
- xii. Dumping margin in previous sunset review was also 19.31%. Dumping margin during the proposed period of investigation remains significant. Thus, it can be clearly seen that the dumping margin is not only more than de-minimus but is substantial. In the event of cessation of antidumping duty, the dumping of the product under consideration from subject country would intensify

F.2 Submissions made by producers /exporters /importers /other interested Parties

- 31. None of the other interested parties have made any submissions with regard to injury and causal link.

F.3 Examination by the Authority

- 32. The Authority has examined the injury to the domestic industry in accordance with the Antidumping Rules and has considered the submissions made by the other interested parties appropriately.
- 33. Rule 11 of Antidumping Rules read with Annexure–II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “.... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles....” In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.
- 34. As regards the impact of the dumped imports on the domestic industry, Para (iv) of Annexure-II of the Anti-dumping Rules states as follows: “*The examination of the impact of the dumped imports on the domestic industry concerned, shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the Industry, including natural and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of margin of dumping, actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to*

raise capital investments.”

35. According to Section 9(A)(5) of the Customs Tariff Act, 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 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 order of such extension.
36. For the examination of the impact of the imports on the domestic industry in India, the Authority has considered such indices having a bearing on the state of the industry as production, capacity utilization, sales quantum, stock, profitability, net sales realization, the magnitude and margin of dumping etc. in accordance with Annexure II(iv) of the Rules. 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.

Volume Effect

Demand and market share

37. The Authority has defined, for the purpose of the present investigation, demand or apparent consumption of the product in India as the sum of domestic sales of the Indian producers and imports from all sources. The demand so assessed is given in the table below :

Particulars	Unit	2013-14	2014-15	2015-16	POI -A
Demand					
Sales-Domestic industry	MT	***	***	***	***
Sales-Other Domestic producers	MT	***	***	***	***
China	MT	806	441	581	392
Other countries	MT	308	478	301	200
Total Demand/consumption	MT	2,118	2,056	2,346	1,994
Market Share in Demand					
Domestic industry	%	19.23%	24.84%	27.77%	35.16%
Other Indian Producers	%	28.18%	30.45%	34.66%	35.14%
China	%	38.05%	21.47%	24.76%	19.65%

Other Countries imports	%	14.55%	23.25%	12.28%	10.04%
Total Share	%	100.00%	100.00%	100.00%	100.00%

38. The Authority notes that the demand for the product under consideration has marginally fallen in the POI as compared to base year as well as previous year.

Import volumes and share of subject country:

39. With regard to volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports either in absolute terms or in relation to production or consumption in India. The volume of imports of the subject goods from the subject country have been analyzed as under:

40. The import volumes and values for the injury period, considering the transaction wise data provided by DGCI&S are as under:

Particulars	Unit	2013-14	2014-15	2015-16	POI Annualized
Import Volume					
China	MT	806	441	581	392
Other Countries	MT	308	478	301	200
Total Imports	MT	1,114	919	882	592
Market Share in Imports					
China	%	72%	48%	66%	66%
Other Countries	%	28%	52%	34%	34%
Subject Country Imports in relation					
to DI Production	%	196%	87%	91%	54%
to Indian Production	%	80%	39%	40%	27%
to DI Domestic Sales	%	198%	86%	89%	56%
to Indian Demand	%	38%	21%	25%	20%

41. From the above information, the Authority notes that imports from China have decreased. The share of imports from China in relation to total imports has declined over the injury period due to antidumping duty imposed. Further, imports in relation to production and consumption have also decreased due to anti-dumping duty in force but still it has significant share of import in relation to demand as well as production.

PRICE EFFECT

Price Effect of dumped imports and impact on domestic industry

42. The impact on the prices of the domestic industry on account of imports of the subject goods from the subject country has been examined with reference to price

undercutting and price underselling. 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 value of imports from the subject country. A comparison for the subject goods during the period of investigation was made between the landed value of dumped imports and the domestic selling price in the domestic market. In determining the net sales realization of the domestic industry, taxes, rebates, discounts and commission offered by the domestic industry have been adjusted. The Authority has worked out a non-injurious price and compared the same with the landed value. The non-injurious price has been evaluated for the domestic industry by appropriately considering the cost of production for the product under consideration during the POI. The position is as follows:

Price undercutting

43. The Authority has made price undercutting analysis as below:

Particulars	Unit	2013-14	2014-15	2015-16	POI
Landed price of imports	Rs./KG	368.52	482.31	585.19	666.62
Net Selling Price	Rs./KG	***	***	***	***
Price Undercutting	Rs./KG	***	***	***	***
Price Undercutting (%)	%	30-40%	10-20%	5-15%	0.1-1%

44. The price undercutting from subject country during POI is marginally positive.

Price Underselling

45. It is noted from the table below that imports from China are not underselling the prices of the domestic industry.

Particulars	Rs./kg	\$/KG
Non Injurious Price	***	***
Landed Value	667	9.94
Price Underselling	***	***
Price Underselling %	-5 to 5%	-5 to 5%

Price suppression and depression effects of the dumped imports:

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

Particulars	Unit	2012-13	2013-14	2014-15	POI Annualized
Cost of sales	Rs /Kg	***	***	***	***
	Index	100	98	109	112
Selling price	Rs/Kg	***	***	***	***
	Index	100	103	120	125

47. From the above information, the Authority notes that cost of sales and selling price of the domestic has increased over the injury period. Thus, imports are not suppressing or depressing the prices in the domestic market.

Examination of Economic Parameters relating to Domestic Industry

48. Annexure II to the AD Rules requires that the determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of such products. With regard to consequent impact of these imports on domestic producers of such products, the AD Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity, factors affecting domestic prices, the magnitude of the margin of dumping, actual and potential negative effects on cash flow, inventories, employment, wages, growth and ability to raise capital investments.

49. Accordingly, various economic parameters of the domestic industry are analysed herein below:

Production, Capacity, Capacity utilization and Sales

50. The performance of the domestic industry with regard to production, capacity, capacity utilization and sales are as follows:

Particulars	Unit	2013-14	2014-15	2015-16	POI Annualized
Capacity	MT	1,140	1,140	1,140	1,140
Production	MT	411	509	641	698
Capacity Utilization	MT	36%	45%	56%	61%
Total Sales	MT	407	511	651	701

51. From the information given above, the Authority notes that the capacity with the domestic industry has remained constant. Production, sales and capacity utilization have increased over the injury period as an effect of anti-dumping duty in force on dumped imports from China, but the capacity is still underutilized.

Inventories

52. From the information given below, the Authority notes that the average inventory levels of the domestic industry have decreased over the injury period but there is an increase in POI from previous year.

Particulars	Unit	2013-14	2014-15	2015-16	POI Annualized
Stock (Volume)					
Opening	MT	14	18	16	15
Closing	MT	18	16	6	13
Average	MT	16	17	11	14

Profits, return on investment and cash flow

53. Performance of the domestic industry with regard to profits, return on investment and cash flow over the injury period was as follows:

Particulars	Unit	2013-14	2014-15	2015-16	POI Annualized
Cost of sales	Rs/Kg	***	***	***	***
Selling price	Rs/Kg	***	***	***	***
Profit/(Loss) per unit	Rs/Kg	***	***	***	***
Profit/(Loss) – total	Rs Lacs	***	***	***	***
Depreciation	Rs Lacs	***	***	***	***
Cash Profit	Rs Lacs	***	***	***	***
Interest	Rs Lacs	***	***	***	***
Profit before Interest and Tax	Rs Lacs	***	***	***	***
Return on Capital Employed-NFA	%	0 to -10%	0 to -10%	0 to 10%	5 to 15%

54. From the above information, the Authority notes that the domestic industry was suffering losses in 2013-14 and 2014-15 but have been able to increase its profits thereafter and have been profitable in 2015-16 and POI. Similarly, profit before interest, cash profit and return on investment have also followed the same trend.

Employment and wages

55. It is noted from the table below that the employment with the domestic industry have increased in the POI. The wages have improved over the injury period.

Particulars	Unit	2013-14	2014-15	2015-16	POI Annualized
No of Employees	Nos.	82	99	115	125
Wages	Rs Lacs	66	95	158	177
Wages Per Unit	Rs/Kg	16	19	25	25

Magnitude of dumping

56. The Authority notes that the dumping margin of the imports from China is positive and substantial.

Particulars	Rs./kg	\$/KG
Constructed Normal value	***	***

Net export price	***	***
Dumping margin	***	***
Dumping margin %	15-25%	15-25%

Magnitude of Injury and Injury Margin

57. The non-injurious price of the subject goods produced by the domestic industry as determined by the Authority in terms of Annexure III to the AD Rules has been compared with the landed value of the imports from China for determination of injury margin during the POI and the injury margin so worked out is as under:

SN	Particulars	Rs./kg	\$/KG
1	Non Injurious Price	***	***
2	Landed Value	667	9.94
3	Injury Margin	***	***
4	Injury Margin %	0 to -10%	0 to 10%

*Landed value is exclusive of ADD in force

Conclusion on injury

58. The investigation has thus shown that imports from China have declined but still remains significant despite anti-dumping duty, both in absolute terms and in relation to production/consumption in India. It is thus apparent that the imposition of anti-dumping duties resulted in improvement in performance of the domestic industry during the injury period. The performance of the domestic industry improved in terms of production, sales, capacity utilization, profits and ROI.

G. OTHER KNOWN FACTORS & CAUSAL LINK

59. The Authority examined the issue of causal link and other non-attributive factors as laid down in the Rules to segregate injury, if any, caused by other factors. In this regard, the following indicative factors as laid down in the Rules have been examined

Imports from third countries

60. The Authority has examined import data of the subject goods obtained from DGCI&S on transaction-wise basis and notes that imports from other countries have increased. However, present investigation being a sunset review investigation, fresh countries cannot be included.

Changes in the pattern of consumption

61. The Authority notes that there has been no change in the pattern of consumption during the injury period. Possible shift in change in pattern of consumption cannot be a reason for injury to Domestic Industry.

Contraction in demand

62. The demand for the subject goods has declined marginally. However, there is

sufficient demand for the capacity built by the domestic industry. Thus, decline in demand has not caused injury to the domestic industry.

Developments in technology

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

Conditions of competition and trade restrictive practices

64. The Authority notes that there is no trade restrictive practice, which could have contributed to the injury to the Domestic Industry.

Productivity of the domestic Industry

65. The productivity of the Domestic Industry has increased and the same is a result of an increase in the production of the subject goods. Therefore, it can also not be said that injury to the Domestic Industry has been caused by decline in productivity.

H. Likelihood of Continuation Or Recurrence Of Dumping And Injury

H.1 Submissions by the Domestic Industry

66. The domestic industry submitted as under in support of its claim of likelihood of continuation or recurrence of dumping and injury:
- i. Despite existing anti-dumping duties, there is continued dumping and injury being caused to the domestic industry
 - ii. The dumping margins determined in respect of subject country in the original investigations indicated the propensity for dumping by the producers of the subject country
 - iii. The exporters from subject country are habitual to dumping practices since years and have been dumping not only into India but also to third countries. The producers in the subject country have large production capacities for the subject goods. In the event of cessation of existing anti-dumping duties, there is a strong likelihood of dumping of the product in India
 - iv. In addition to having large production capacities, the producers in the subject country have a high export percentage.
 - v. USA had also levied anti-dumping duty on the import of Saccharin from China PR for a decade. The antidumping duties ceased in 2015 in USA and immediately imports surged from China to USA. The US Authority had held that there is likelihood of increase in dumped imports, however material injury to the domestic industry was not foreseeable as the domestic industry in USA had undergone a change and had limited scope of operations. It was also emphasized that the Chinese subject producers possess excess capacity and are export oriented.
 - vi. The Domestic Industry suffered injury from the dumped imports for quite

some time as confirmed at the time of original investigation as well as mid-term and previous sunset review investigations. The Domestic Industry is vulnerable to injury from dumped imports. Present anti-dumping duty is acting as a restraint, and cessation of such duty will further increase the likelihood of injury to the Domestic Industry.

- vii. Domestic Industry are selling in domestic market at prices higher than at which product concerned is being exported from China PR to a number of other countries. Therefore, in case of expiry of duty, exporters would further channelize their output in the Indian market as they are already holding excessive capacities and are in fact selling subject goods to other third countries at dumped prices
- viii. Imports from China would cause severe price undercutting to the prices of the Domestic Industry in the absence of anti-dumping duty
- ix. The antidumping duties ceased in 2015 in USA and immediately imports surged from China to USA. This shows the tendency of producers in China to dump. Thus, it is reasonable to consider that exporters had to dump to sell at higher volumes, and the subject country has to resume dumping in order to re-enter the domestic market
- x. The dumping margin determined for POI as well as post POI will show that the imports from subject country have declined, however are entering the market at dumped prices. Injury margin determined for the POI is negative, however injury margin determined for the post POI is positive
- xi. Examination of injury to the domestic industry at the stage of sunset review cannot be done in the same manner as is being done at the stage of original investigations. Strict application of Rule 11 (read with Annexure-II) is inappropriate at the stage of sunset review. Parameters listed in Para (vii) of Annexure II are not mutually inclusive, meaning thereby, if any of the parameter listed above fails to exist, even in an original investigation, the Authority will not restrict itself from giving a positive finding on threat of material injury if there exists other parameters that prove otherwise. Furthermore, the list of threat parameters is not exhaustive and is only indicative.
- xii. Price undercutting and injury margin should be determined for likelihood purposes only considering those import transactions whose landed price of imports is below selling price of the domestic industry. Reliance has been placed on *European Communities – Anti-Dumping Duties on Malleable Cast Iron Tube or Pipe Fittings from Brazil. and Kothari Sugars & Chemicals Limited versus Designated Authority.*
- xiii. Sufficient evidence has been provided in the petition as regards export orientation, surplus capacity and likelihood.

H.2 Submissions made by producers/exporters/importers/other interested parties

67. None of the other interested parties have made any submissions with regard to the

likelihood of Dumping and injury to the domestic industry.

H.3 Examination by the Authority

68. The present investigation is a sun set review of anti-dumping duties earlier imposed on imports. Under the Rules, the Authority is required to determine whether continued imposition of antidumping duty is warranted. This also requires a consideration of whether the duty imposed is serving the intended purpose of eliminating injurious dumping. In this case, as there are continued dumped imports from China, the Authority is required to examine whether revocation of duty is likely to lead to continued dumping of the product and recurrence of injury to the domestic industry and that whether cessation of duties are likely to lead to recurrence of dumping and consequent injury to the domestic industry.
69. In the present investigation, as there are continued dumped imports from the subject country, the Authority is not required to examine whether revocation of duty is likely to lead to recurrence of dumping. Despite the anti-dumping measures in force, the subject country could maintain a significant presence in the Indian market and continued to dump the subject goods. The Authority notes that imports of product under consideration from the subject country has declined by almost 50% compared to base year but remained significant over the current injury period in absolute terms. The analysis of various economic parameters shows overall economic health of the domestic industry has improved during the POI, the Authority notes that this improvement is mainly due to the anti-dumping measures in force. The Authority examined the likelihood of continuation or recurrence of injury considering the parameters as under:

Level of current and past dumping margin

70. Considering the dumping margin determined by the Authority in the previous investigation and the dumping margin now assessed, it is quite evident that the exports from China have continued to be exported at dumped prices. Volume of imports has declined but remains significant even after imposition of anti-dumping duties.

a. Volume of Exports Post POI

71. The authority has undertaken analysis of the volume of exports of subject goods to India from the subject country during post POI (Oct 16-Sept 17) to see whether it reveals any other distinct trend which could be taken into consideration by the Authority. It is observed that imports from China have increased during post POI compared to annualized POI (392 MT). The imports from China were found to be below the normal value of the product. The import prices have shown month wise fluctuation even while generally declining during the post POI period. This indicates likelihood of the imports causing significant undercutting and price depression in the domestic market in the event of cessation of anti-dumping duty.

However, this cannot be determined conclusively with limited post POI data.

Post POI import from China (Oct16-Sept17)-DGCI&S

SN	Particulars	Total import (MT) (Oct16-Sep 17)	Dumped import Quantity MT (Oct16-Sep 17)
1	Import volume (Post POI)	568.200	502.20
2	Import value Rs. Lacs (Post POI)	2886.01	2461.84
3	CIF (Import price per KG Post POI)	507.90	490.21
4.	CIF (Import price per KG POI)	613	613

Source DGCI&S

b. Dumping Margin Post POI

72. The authority has undertaken analysis of dumping and injury margin from the subject country during post POI. This analysis has been done on the basis of information submitted by the Domestic Industry and imports data procured by DGCI&S. It is noted that dumping margin is positive and significant during the post POI period. The quantum of dumping was found to follow a rising trend which has almost doubled towards the end of Post POI period. However, it is difficult to arrive at a definite conclusion from the data available for the post POI period.

c. Injury margin POST POI

73. The Authority has also done the Post POI analysis for determination of Injury to the domestic industry, it is found that average injury margin is significant positive and on month wise data analysis a peculiar trend of negative injury in the first four months followed by rising trend of significant injury ranging from 2-36% has been observed. The injury with the Anti -Dumping in existence was found to be positive in later months of post POI period.

d. Price attractiveness of Indian market

74. The price at which the subject goods are being exported by China to India is an indicator of the likelihood of continuation of dumping. Subject goods being sold by the Domestic Industry are at higher prices than the prices at which product concerned is being exported from China PR to a number of other countries. In this regard, the domestic industry has provided evidence in the form of export price from China to third countries which shows that the dumping margins in respect of exports from China to the third countries are significant. It is also noted that none of the interested parties have rebutted the submissions of the domestic industry of dumping in the third countries. Further, no contrary evidence has been furnished by any of the interested parties to rebut the claims made by the domestic industry. However, the Authority notes that the total Indian demand has remained around 2000 Metric Ton per annum and it may be insignificant for exporters from subject country.

D. Surplus capacity and Export Orientation of the Chinese Producers

75. While none of the interested parties have responded and provided any verifiable evidence and information with regard to existing surplus capacities, imminent increase in capacities and possibility of diversion of present exports to one country to another country, the domestic industry has provided sufficient information of huge capacities with the producers in China and their high export orientation. It is seen that the capacity with individual producers in China is much more than the entire demand in India. The surge of imports on cessation of duty in USA shows that the Chinese Producers have the ability to divert the imports to price attractive destinations. The duties were allowed to cease in 2015 by the US Authority, but it held that there is likelihood of increase in dumped imports, however, material injury to the domestic industry was not foreseeable as the domestic industry in the USA had undergone a change and had limited scope of operations. In the Indian context, given the low level of total Indian demand, aggressive dumping by Chinese exporters may or may not happen.

Name of the company	MT per Annum
M/s Tianjing Chaging Chemical co	3500
M/s Kaifang Xinghua fine Camical factory	7000
M/s Kaifang Xinghua fine Camical Ltd	15000

Source: website of concerned companies

User Industry's Interest & other issues

76. The Authority holds that the purpose of anti-dumping duties, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the India market, which is in the general interest of the country. Imposition of antidumping measures is not to restrict imports from the subject country in any way, and to affect the availability of the products to the consumers. The Authority notes that with ADD in force, domestic industry's share has grown but imports also continued to hold about 30 % market share. Thus, consumers have maintained two or more sources of supply.

J. POST DISCLOSURE STATEMENT COMMENTS

J.1 Views of the domestic industry

77. The Authority notes that post Disclosure Statement submissions made by the domestic industry are repetitive in nature and have already been dealt with in the Disclosure Statement. The domestic industry, in brief, filed the following post Disclosure Statement submissions:

- a. None of the producers or exporters from China PR has responded in the present sunset review investigation whereas there were various responses in in first SSR

conducted

- b. It appears that the constructed normal value has been determined on the basis of non-injurious price determined for the domestic industry. It is submitted that the actual cost of production needs to be considered and not the notional cost for construction of normal value
- c. Domestic industry is coming out of the past ill effects of dumping, however remains vulnerable to dumping
- d. Only in a situation where Designated Authority has come to a conclusion that the injury margin in all situations are negative, the Designated Authority can hold that the Indian market is not attracting to the foreign producers and likelihood of dumping and injury is unlikely
- e. The imports from China have increased during post POI and the import price has witnessed sharp decline in post POI, with further decline in the most recent period. Consequently domestic industry's selling price has also declined in the most recent period, i.e., September 2017 without corresponding decline in the raw material prices.
- f. Producers and exporters from China PR are exporting the subject goods at dumping prices in other countries' markets at dumped and injurious price
- g. Huge capacities are available with the producers in the subject country
- h. USA had also levied anti-dumping duty on the import of Saccharin from China PR for a decade. The antidumping duties ceased in 2015 in USA and immediately imports surged from China to USA
- i. Duties should be imposed in fixed form and expressed in US\$.

J.2 Submissions made by producers/exporters/importers/other interested Parties

78. None of the other interested parties have made any submissions with regard to injury and causal link

J.3 Examination by the Authority

79. The Authority notes that most of the post disclosure statement submissions made by the domestic industry are repetitive in nature and have already been dealt with in the Disclosure Statement and again have been addressed in this Final Findings Notification under the appropriate headings. Nonetheless, the Authority has addressed these issues to the extent considered relevant as under:

- a. As regards the argument on determination of normal value, the Authority notes that the standard practice has been followed in this regard and there is no merit in deviating from the methodology followed.
- b. As regards the form of duty, the Authority notes that the form of duty is considered as per the facts and circumstance of the case. In the present case duties are already in force in fixed form expressed in USD

L CONCLUSIONS

80. After examining the issues raised and the submissions made by the interested parties and facts made available before the Authority, the Authority concludes that:

- i. Though dumping is there but the levels of antidumping margins have decreased in the current period of investigation compared to the previous investigation. Despite the dumping of product under consideration, the injury margin is found to be negative in current period of investigation.

- ii. The imports from subject countries are not being sold below the non- injurious prices of the domestic industry & the price undercutting from subject country during POI is only marginally positive without the ADD in force.
- iii. The performance of the domestic industry has improved in terms of production, capacity utilization, sales, market share, and profits. Return on investment, cash profits, etc. have also shown similar improvement compared to base year.
- iv. Share of imports from China in relation to total imports has further declined over the injury period; imports in relation to production and consumption have also decreased resulting in increase in domestic industry market share and net sales realization translating into mitigation of injury caused by the dumping from subject country.
- v. The Authority has also taken into account other relevant factors, since the ADD is in force since 6th June 2006.
- vi. The post POI analysis was done by taking the constructed normal value and Non-injurious price of the current investigation and kept constant during the month wise analysis. The normal value and Non-injurious price might change during post POI too if other factors are taken into account. Hence, it is difficult to conclusively determine likelihood of dumped imports and consequent injury to the domestic industry based on post POI examination undertaken by the Authority.
- vii. The third country exports and stock inventories of exporters could not be ascertained, as no exporter responded and provided the requisite data. While noting the export orientation of the Chinese producers and price attractiveness of Indian market, it is also felt that domestic industry would be better placed to face off competition as it now has 70% market share.
- viii. Analysis of various economic parameters shows overall economic health of the domestic industry has improved during the POI. The Authority notes that this improvement is mainly due to the anti-dumping measures in force .Thereby the Anti-dumping measures have served the intended purpose of mitigating the unfair advantage usurped/exercised by the exporters by dumping their goods
- ix. The Authority also reiterates that India follows lesser duty rule while arriving at conclusion to impose anti-dumping remedial measures. As there is no injury to the domestic industry during the period of investigation, thereby, the anti-dumping trade remedial measures cannot be extended merely on the basis of dumping only.

M. RECOMMENDATIONS

81. Having observed that the existing antidumping duty is in existence since 6th June 2006, the authority is of the opinion that existing anti-dumping duty has served the intended purpose. Therefore, the Authority considers it necessary and recommends ceasing of anti-dumping duty on import of subject goods from the subject country recommended vide Notification No. 15/20/2010- DGAD dated 7th December 2011 and enforced vide Customs Notification No. 7/2012-Cus dated 13th January 2012 and as

extended by the Central Government vide Notification No. 3/2017-Customs (ADD) dated 19th January, 2017.

M. FURTHER PROCEDURES

82. An appeal against this order, after its acceptance by the Central Government, shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act, 1975.

Authority

**(Sunil Kumar)
Additional Secretary & Designated**

