

Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti-Dumping & Allied Duties
Udyog Bhawan,

NOTIFICATION

New Delhi, the 27th February, 2004

Subject: Anti dumping investigations concerning imports of Melamine from China PR – Preliminary Findings.

No. 14/16/2003-DGAD – Having regard to the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, thereof, the procedure described below has been followed with regard to the investigation.

1. PROCEDURE:

- i. The Designated Authority (hereinafter also referred to as Authority), under the above Rules, received a written application from M/s Gujarat State Fertilizer & Chemicals Ltd., alleging dumping of Melamine originating in or exported from China PR.
- ii. Preliminary scrutiny of the application filed by the petitioner revealed certain deficiencies, which were subsequently rectified by the petitioner. The petition was, therefore, considered as properly documented.
- iii. The Authority on the basis of sufficient evidence submitted by the petitioner decided to initiate the investigation against imports of subject goods from People's Republic of China PR. The authority notified the Embassy of People's Republic of China PR in New Delhi about the receipt of dumping allegation before proceeding to initiate the investigation in accordance with the sub-Rule 5(5) of the Rules.
- iv. The Authority issued a public notice dated 10th September 2003 published in the Gazette of India, Extraordinary, initiating Anti-Dumping investigations concerning imports of the subject goods classified under custom **Code 29336100** of Schedule I of the Customs Tariff Act, 1975 originating in or exported from People's Republic of China.
- v. The Authority forwarded a copy of the public notice to the known exporters (whose details were made available by petitioner) and gave them an

opportunity to make their views known in writing within forty days from the date of the letter in accordance with the Rule 6(2):

- vi. The Authority forwarded a copy of the public notice to the known importers (whose details were made available by petitioner) of subject goods in India and advised them to make their views known in writing within forty days from the date of issue of the letter in accordance with the Rule 6(2).
- vii. The Authority sent a questionnaire to elicit relevant information to the following known exporters/importers/user, in accordance with the Rule 6(4):

Exporters

1. M/s Taian Hualu Melamine Co Ltd.
2. Fujian Sanming Hua Mao Chemical
3. Sichuan Chemical Group
4. Hefei Sifang Chemical Group Ltd
5. Jiangsu Compound Fertilizers Co.
6. Henan Zhongyuan Dahua Group
7. Henan Yuhua Speciality Chemical
8. Paujin Huaxing Chemical Co Ltd
9. Qingdao Tianyuan Chemical Co Ltd
10. Zhong Yuan Dahua Group Ltd Of Henan Province
11. Nanjing Jinxing Petro & Chemical Ind. & Comm. Co. Ltd.
12. Jiangsu Xinya Chemical Group Co.

Importers/Users

1. M/s. Subham Dyes & Chemicals
2. M/s. Creative International
3. M/s. Sonkamal Enterprise
4. M/s Govindram Chellaram
5. M/s. Vipul Enterprises
6. M/s. Agarwal Chemicals
7. M/s. A to Z Chemicals
8. M/s. Pradeep Trading Company
9. M/s. Aroma Agencies
10. M/s. Helm India Pvt. Ltd.
11. M/s. Chemo India
12. M/s. Pushti Distributors
13. M/s. Chemet Agency (Gujarat)
14. M/s. Chemet Agency (Gujarat)
15. M/s. Amrit Chem
16. M/s. Synthetic Colourchem Industries

- 17.M/s. Shri Hanuman Overseas
- 18.M/s. Sai Group
- 19.M/s. K. Uttam Lal & Com.
- 20.M/s. Omega Corporation
- 21.M/s. K. Parekh & Co.
- 22.M/s. G.C. International
- 23.M/s. Gobind Ram Chelaram
- 24.M/s. Helm India Pvt. Ltd.
- 25.M/s. Popwala & Co.
- 26.M/s. Akshar Plast Chem Invt. Pvt. Ltd.
- 27.M/s. Greenply Industries
- 28.M/s. Sundek India Ltd.
- 29.M/s. Moti Polymers (Moti Group)
- 30.M/s. Alfa ICA India Ltd.
- 31.M/s. Bloom Décor Ltd.
- 32.M/s. Esquire Décor Pvt. Ltd.
- 33.M/s. Milton Laminates Ltd.
- 34.M/s. Mangalam Timbers Ltd.
- 35.M/s. Kitply Industries Ltd.
- 36.M/s. Golden Laminates
- 37.M/s. Bakelite Hylam Ltd.
- 38.M/s. GVK Petrochemicals Ltd.
- 39.M/s. National Plywood Industries Ltd.
- 40.M/s. Goodlass Nerolac Paints Ltd.
- 41.M/s. The Bombay Burmah Trading Ltd.
- 42.M/s. Western Biosystems Ltd.
- 43.M/s. Basf India Ltd.
- 44.M/s. Color Chem Ltd.
- 45.M/s. CJ Shah & Co.
- 46.M/s. Chemical Corporation
- 47.M/s. Indian Commercial Co. Ltd.
- 48.M/s. B M Trading Co
- 49.M/s. Chemical De Enterprises
- 50.M/s. Pacific Agencies
- 51.M/s. Meghdev Enterprises
- 52.M/s. Neo-Hy Laminates Pvt. Ltd.
- 53.M/s. Centrury Laminating Co. Ltd.

- viii. The Embassy of the subject country in New Delhi was informed about the initiation of the investigation in accordance with **Rule 6(2)** with a request to advise all concerned exporters/producers from their country to respond to the

questionnaire within the prescribed time. A copy of the letter, petition and questionnaire sent to the known exporters was also sent to the Embassy of the subject countries in accordance with Rule 6(3).

- ix. Response/information to the questionnaire/notification was filed by the following exporter/producer only.
 - 1. M/s Tianjin Kaiwei Chemical Co ltd, China
- x. Response/information to the questionnaire/notification was filed by the following Importers/user. The first three users stated that they used both the imported subject goods as well indigenous product produced by M/s GSFC.
 - 1. Milton Laminates ltd
 - 2. Century Laminating Co. ltd
 - 3. GVK Petrochemicals pvt ltd (Only 18% of its total requirement was imported)
 - 4. M/s Ecoboard Industries ltd and The Bombay Burmah Trading Corporation ltd stated that all their requirements are met by M/s GSFC.
 - 5. M/s Aroma Agencies stated that it is not dealing with Melamine at all.
- xii. Information regarding injury was sought from the petitioner(s), which was also furnished by the petitioner.
- xiii. The Authority kept available non-confidential version of the evidence presented by various interested parties in the form of a public file maintained by the Authority and kept open for inspection by the interested parties as per Rule 6(7).
- xiv. Cost investigation was also conducted to work out optimum cost of production and cost to make and sell the subject goods in India on the basis of Generally Accepted Accounting Principles (GAAP) and the information furnished by the petitioner.
- xv. **** In this notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- xvi. The last date of submission was **21st October 2003**. On request of interested parties, extension of time was granted upto 7th November, 2003. Submissions by exporter was made on 12th November,2003 which was accepted by Designated Authority.
- xvii. Investigation was carried out for the period starting from 1st April, 2002 to 30th June, 2003 i.e. the period of investigation (POI).
- xviii. Abbreviations/terms/values used:
 - a. Authority Designated Authority
 - b. Subject Country China PR
 - c. Subject Goods/ Product under consideration Melamine

- d. USD/\$ 1 USD = Rs 48.4
- e. RMB 1 USD = RMB 8.26
- f. Domestic Industry/petitioner GSFC (Gujarat State Fertilizers & Chemicals Ltd)
- g. POI Period of Investigation
- h. Exporter M/s Tianjin Kaiwei Chemical Co Ltd

2. VIEWS OF EXPORTERS, IMPORTERS AND OTHER INTERESTED PARTIES

2.1. The exporter is producer and exporter of Melamine. Exporter has claimed market economy treatment for its company. It has also claimed de-minimis status through its questionnaire response. No issues on like article, product under consideration, domestic industry and injury have been raised by the exporter.

2.2. Importers and users have claimed that they used both the imported subject goods as well subject goods produced by M/s GSFC interchangeably.

2.3 The petitioner have claimed injury because of significant dumping from China PR and requested for interim duties to be recommended at the earliest.

EXAMINATION BY AUTHORITY (Para 3 to Para 7)

3. PRODUCT UNDER CONSIDERATION

Product under consideration in the present investigations is Melamine, a tasteless, odorless, and non-toxic substance. Melamine formaldehyde resin used for laminates offer good hardness, resistance to scratch, stain, water and heat. Laminates used in some electrical applications posses high mechanical strength, good heat resistance and good electrical insulating properties. Asbestos filled Melamine resins possess very high dielectric strength and high resistance. Beside the best dimensional stability, Melamine Formaldehyde moulding powder gives clear and bright colors, easily moldable and offers resistance to surface scratching.

Melamine is reacted with formaldehyde and made into resins or moulding powder for making innumerable products of beauty and utility. Melamine is used for making melamine formaldehyde, which in turn is used in producing down stream products.

Melamine has a dedicated Custom Sub Heading 29336100 of Chapter 29 of the Customs Tariff Act. The product falls under OGL category and is freely importable.

4. LIKE ARTICLE

Melamine produced by the petitioner and imported from China is comparable in terms of characteristics such as physical and chemical properties, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Even though there are different manufacturing process/technologies involved for production of Melamine, the end product has comparable specifications and is used interchangeably. The imported and the domestically sold products are technically and commercially substitutable. The consumers are using the two interchangeably. Melamine produced by the petitioner company is a like article to the goods imported from China in accordance with the anti-dumping Rule 2(d) which provides as under:

"Like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the article under investigation;

5. DOMESTIC INDUSTRY

The petition was filed by M/s. Gujarat State Fertilizers & Chemicals Ltd., Vadodara. Gujarat State Fertilizers & Chemicals Ltd. is the sole producer of the product in the Country and, therefore, accounts for total Indian Production. The petitioner satisfies the standing within the meaning of the Anti Dumping Rule 2 (b).

6. DUMPING

6.1 Normal value in China

Para 8 in Annexure I to the Rules states as under: -

1. The term "non market economy country" means any country which the Designated Authority determines as not operating on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise, in accordance with the criteria specified in sub-paragraph (3)
2. There shall be a presumption that any country that has been determined to be, or has been treated as a non-market economy country for the purpose of an anti dumping investigation by the Designated Authority or by the competent authority of any WTO member country during the three-year period preceding the investigation is a non-market economy country.

Provided, however, that a non-market economy country or the concerned firms from such country may rebut such a presumption by providing information and

evidence to the Designated Authority that establishes that such country is not a non market economy country on the basis of criteria specified in sub-paragraph (3)

3. The Designated Authority shall consider in each case the following criteria as to whether:
 - a. the decision of concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;
 - b. the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;
 - c. such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and
 - d. the exchange rate conversions are carried out at the market rate;

Provided, however, that where it is shown by sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the Designated Authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in this paragraph.

6.1.2 Vide Notification dated 10th November, 2003 the following paragraph was inserted in paragraph 8 of Annexure – 1, after sub-paragraph (3) of *Rules Supra*.

"(4) Notwithstanding anything contained in sub-paragraph (2). The Designated Authority may treat such country as market economy country which, on the bases of the latest detailed evaluation of relevant criteria, which includes the criteria specified in sub-paragraph (3), has been, by publication of such evaluation in a public document, treated or determined to be treated as a market economy country for the purposes of anti-dumping investigations, by a country which is a Member of the World Trade Organisation."

6.1.3 This matter was initiated on 10th September, 2003 and the first detailed submissions were to be received by 7th November, 2003. POI was from April, 2002 to June, 2003. China PR till the date of initiation was not treated a market economy country by another country which is a member of the World Trade Organisation.

6.1.4 In the instant case, China has been treated as non-market economy by European Commission and United States in the past three years. European Union and United States are members of World Trade Organization. In India also, the Designated Authority has treated China as non-market economy.

M/s Tianjin Kaiwei Chemical Co. Ltd have submitted questionnaire response. Exporters have also submitted information claiming Market Economy treatment/ individual treatment. Clarifications have been sought by Authority with regards to technology, cost of production, ex-factory sales price in the domestic market and ex-factory sales price of exports to India.

6.1.5 Urea is one of the major raw material for production of Melamine. Prices of Urea in China do not reflect fair market values and are influenced by State. As per the accession treaty filed by the Chinese Govt. before WTO, urea, whether or not in aqueous solution is listed as a product under the following:-

- a. Product subject to State trading for imports;
- b. Products Subject to Import Licence, Import Quota and Import Tendering;
- c. Products Subject to Government Guidance Pricing.

In view of the above, it is apparent that the decision of Chinese firms with regard to product under consideration regarding prices of raw materials (Urea) are not fully made in response to market signals reflecting supply and demand and are not without significant State interference in this regard. For the purpose of determination of Normal Value has been constructed for China based on price actually payable in India.

Normal value for the purpose comes to \$****/MT.

6.2 EXPORT PRICES:

Export price claimed by exporter was cross checked with importer data and imports data of DGCIS for the POI and after analyzing the adjustments made before FOB and after FOB stage (Ocean freight: marine insurance; Port expenses in China; Inland freight in China; Interests; Commission) ex-factory export price was taken as \$ ****/MT for cooperating producer/ exporter and \$ ****/MT for non-cooperative exporters/producers. Minimum export price of the cooperating exporter has been taken as the export price of the non-cooperating exporters to disadvantage non-cooperation.

6.3 Dumping Margin

Considering the normal value and export price, as detailed above, dumping margin have been determined. Dumping Margin worked out are 21.9% in case of M/s Tianjin Kaiwei Chemical Co. Ltd the cooperating exporter and 50.3% in case of non-cooperating exporters from China PR. The dumping margin as stated above is being considered for the provisional measures subject to verification of original books of record maintained by this exporters inter alia with regards to the claims of a) Individual treatment b) Cost of Raw Material and utility c) Adjustments sought d) Income, if any, from sale of bi-products e) Norms / cost of production and f) Actual sales price to domestic market, to India and to countries other than India.

7. INJURY & CAUSAL LINK

Indexed table of the parameters to analyze injury to the Domestic Industry because of Dumped imports is as follows. The injury period is from April 2000 to June 2003. Indexing has been shown from 1999-00 to amplify the change in circumstances from 2000-01 onwards.

SN	Particulars	Unit	1999-00	2000-01	2001-02	P O I Annualized
1	Sales	<i>Indexed</i>	100.00	287.02	264.76	267.27
2	Cost of Production	<i>Indexed</i>	100.00	118.58	113.70	135.61
	Sales Realization	<i>Indexed</i>	100.00	105.47	118.85	130.37
	Profit/Loss (Rs/MT)	<i>Indexed</i>	-100.00	-187.82	-86.50	-163.30
	Profit/Loss (Rs)	<i>Indexed</i>	-100.00	-539.08	-229.01	-436.44
3	Market Share					
	Imports from China	MT	894	80	295	1850.4
	Other Countries	MT	4813	168	500	1115.2
	Total Imports	MT	5707	248	795	2965.6
	Market Share					
	China	%	15.66	32.26	37.11	62.39
	Other Countries	%	84.34	67.74	62.89	37.61
	Demand	<i>Indexed</i>	100.00	115.29	112.38	136.47
4	Market Share in Demand					
	China	<i>Indexed</i>	100.00	7.76	29.5	151.3
	Domestic industry	<i>Indexed</i>	100.00	248.96	235.57	195.85
5	Imports % from China in relation to production	<i>Indexed</i>	100.00	9.18	30.92	269.57
6	Productivity	<i>Indexed</i>	100.00	97.50	106.71	76.77
7	Return on Capital Employed	<i>Indexed</i>	100.00	-465.26	-200.10	-416.12
8	Capacity Utilization	<i>Indexed</i>	100.00	97.50	106.71	76.77
9	Magnitude of Margin of Dumping		Dumping Margin is significant in the range of 21.9% to 50.3%			
10	Cash Flow	<i>Indexed</i>	100.00	-755.89	-151.24	-555.45

11	Inventories	<i>Indexed</i>	<i>100.00</i>	<i>101.28</i>	<i>61.08</i>	<i>47.63</i>
12	Employment - Company as a whole	<i>Indexed</i>	<i>100.00</i>	<i>97.54</i>	<i>93.96</i>	<i>87.30</i>
13	Wages - Company as a whole	<i>Indexed</i>	<i>100.00</i>	<i>96.38</i>	<i>87.60</i>	<i>97.89</i>
14	Ability to raise capital	The company have negative return on its capital employed. At the same time, capacity created is sufficient to meet demand of the country. Therefore, the is no immediate scope for any expansion				
15	Growth	Negative				

7.1 Import volumes and market share

Imports from China have increased significantly in absolute terms as also relative to production and consumption in India. As per DGCI&S data and from the sales of the domestic industry import volumes and market share, it is found that:-

- a. Share of imports from China has increased in relation to imports of the product in India;
- b. Share of imports from China increased significantly in relation to demand/ consumption in India;
- c. Imports from China increased significantly in relation to production in India.

It would thus be seen that the imports clearly establish volume effect. As a direct consequence of increase in imports from the subject country, the share of the domestic industry has declined. At the same time, the demand for the subject goods has shown an increase and the sales of the domestic industry is less than the production and capacity created by the domestic industry.

7.2 Natural and potential decline in sales

Sales volumes of domestic industry have not picked up. The retarded growth and minor decline in the sales volumes in spite of increase in demand of the product in the country; higher production by the domestic industry with significantly unutilized capacities; suppressed prices offered by the domestic industry indicates both the volume and price effect of the dumped goods on the sale of subject goods in India. Net sales realization ranged between Rs. 40000/MT to Rs. 60000/MT.

7.3 Profits

Profits of the domestic industry have significantly declined even though it has been able to maintain some volume of sales. Further, profitability, after showing some improvement in 2001-02, had fallen again.

Domestic industry had adverse profitability in 2000-2001. The domestic industry made efforts to reduce inventories by adjusting sales price, sales volume and production. The domestic industry had almost one year's material in stock in the year 2000-2001. Therefore, the Company was forced to reduce the prices. This reduction in prices resulted in reduction in inventories to a very large extent. However, after improving the profitability in 2001-2002, the domestic industry was forced to suffer poor profitability again in the investigation period.

7.4 Output

Production of Melamine for the domestic industry has significantly declined. This decline is despite increase in production in 2001-02. Petitioner is faced with unutilized capacities in spite of significant positive & increasing demand of the product in the Country.

7.5 Productivity

It being a continuous process plant decline in production has directly resulted in decline in productivity.

The level of wages has almost remained the same though employment has marginally come down. Employment expenses to wage expenses saw a steady decline from 4.19 to 3.76.

Productivity of the company thus got impacted despite all attempts made by the company to raise it.

7.6 Return on investments: -

Return on investment has remained negative. Further, on the lines of trends in profitability, the domestic industry had improved its return on investment in 2001-2002, which declined again in POI.

7.7 Utilization of capacity: -

Since there is no change in the capacities created, utilization of capacity follows the same trend as that of production. The capacity utilization of the domestic industry declined as a result of decline in production. Domestic Industry had unutilized capacities in spite of significant positive & increasing demand of the product in the Country.

7.8 Price undercutting

Price undercutting determined by comparing the weighted average net sales realization of the domestic industry with the landed price of imports shows that the landed price of imports is significantly below the selling price of the domestic industry, thus resulting in price undercutting, between 10 - 20%.

The net sales realization was determined exclusive of rebates/discounts, commission, taxes and duties.

7.9 Price underselling

Price underselling of dumped goods deprived domestic industry of prices it ought to get from sale of the subject goods in the domestic market. Price underselling was to the extent of 30-40%.

7.10 Price suppression/depression

Although there has been an increase in the sales realization due to increase in cost of production of the subject goods landed value of the dumped imports was below the cost of production of the domestic industry.

7.11 The magnitude of the margin of dumping: -

Dumping margins in respect of imports from China was in the range of 21.9% to 51% which was more than de-minimus. The impact of dumping of subject goods was significant and has manifested both in terms of price and volume effect.

7.12 Actual and potential negative effects on cash flow: -

The adverse profitability of the domestic industry had adversely impacted the cash flow of the domestic industry.

7.13. Inventories: -

The domestic industry was earlier holding very high level of inventories. The level of inventories was unprecedented. Effects of lowering the prices by the domestic industry brought down the inventory levels. However, this had adversely impacted the profitability and had prevented the domestic industry from optimizing production and capacity utilization levels.

7.14 Growth: -

The domestic industry had recorded small change in growth in sales in POI in spite of demand recording a positive growth with reduction in production and inventories.

7.15 Ability to raise capital investments: -

Petitioner is a multi product Company and, therefore, while the other products can support any short-term capital requirements of this product, long term adverse performance of the domestic industry was impacting overall ability of the Company as a whole to raise capital.

7.16 Volume and value of imports from other countries

Although the product was being imported from several countries, import prices from other countries were higher and were not undercutting or the volume of imports was de-minimus. There was a significant increase in imports from China *vis-à-vis* other countries.

7.17 Changes & contraction in Demand

Demand of the product had shown an increase over the years. Possible decline/ contraction in demand was not a factor which could have continued to injure the domestic industry.

Other factors of injury, such as trade restrictive practices of and competition between the foreign and domestic producers, developments in technology, the export performance or the productivity of the domestic industry or any other known factors have not caused injury to the domestic industry. Dumped imports from China had contributed to the injury to the domestic industry, as discussed hereinabove. No other factor was brought to the notice of authority by any of the interested parties.

Conclusion

Indexed time series data of the various injury parameters for the injury period indicate that from 2000-2001 onwards there was price undercutting by imports from China PR. Correlation between various parameters has also been drawn to bring out the positive evidence indicating causality between the dumped goods and injury to the sole Indian producers and domestic industry. Domestic industry has lost a portion of the market share while facing significant price undercutting, price underselling and suppression of prices. Although there was a gradual rise in the net sales realisation but it was meant to cover the rising cost of production. The other factors like capacity utilization, return on capital employed and cash flow corroborate the same.

8. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

Melamine reacted with Formaldehyde have the following usage:

- Impregnating resins;
- Decorative laminates;
- Industrial laminates;
- Moulding powder
- Adhesive glues;
- Lacquers, varnishes and paints;
- Paper & textile refinement resins;
- Leather tanning resins;
- Rubber industry.
- Construction chemical
- Melamine compounds as Fire Retardants.
- Surface treatment chemicals for antifriction, for antiwear and corrosion resistance.

8.2 Domestic industry has adequate capacity and Melamine thus produced is used interchangeably with the imported product by the users. Similar trade channels are used for sale of Melamine within the country.

M/s GFSC is further subjected by Government to strict consumption norms efficiency parameters of international standards and normative level of capacity utilization without allowance for vintage technology for use of urea as fertilizer.

8.3 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 Indian market, which is in the general interest of the country.

8.4 The Authority recognizes that though the imposition of anti-dumping duties might affect the price levels of the products manufactured using the subject goods and consequently might have some influence on relative competitiveness of these products, however, fair competition in the Indian market will not be reduced by these anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantages gained by the dumping practices and would prevent the decline of the domestic industry and help maintain availability of wider choice of the subject goods to the consumers. Imposition of anti-dumping measures would also not restrict imports from the subject country in any way, and, therefore, would not affect the availability of the products to the consumers.

8.5 While determining the non-injurious price for the like article for the domestic industry, the Authority considered the cost of production for the domestic industry taking into account the normated best consumption norms of raw material and utility during the injury period. Inefficiency of the plant is taken into account by normating the costs at the highest capacity achieved during the preceding three years. A reasonable return on capital employed is allowed while determining the non injurious price.

9. LANDED VALUE

The landed value of imports for the purpose shall be the assessable value as determined by the customs under Customs Tariff Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Custom Tariff Act, 1975.

The landed value of imports has been determined as the CIF import price (sources from DGCIS) plus 1% landing charges and applicable basic customs duties for the POI.

10. CONCLUSIONS:

It is seen, after considering the foregoing, that:

- a. The subject goods in all forms originating in or exported from the subject country have been exported to India below its normal value.
- b. The domestic industry has also suffered material injury by way of financial losses due to suppressed Net Sales Realisation (NSR) on account of price undercutting / underselling caused by low landed prices of the dumped subject goods.
- c. The injury has been caused to the domestic industry by dumping of the subject goods originating in or exported from the subject countries.
- d. The Authority recommends anti-dumping duty on imports of subject goods falling under Chapter 29 originating in or exported from the subject country
- e. The Authority considered to recommend the amount of anti-dumping duty equal to the margin of dumping or lower so as to remove the injury to the domestic industry accrued on account of dumping. Accordingly, it is proposed that provisional anti dumping duties equal to the difference between the amount of Column 9 of the Table below and landed value of subject goods in \$/MT be imposed, from the date of notification to be issued in this regard by the Central Government, on all imports of subject goods originating in or exported from subject country.

Sl. No	Sub-heading	Description of goods	Specification	Country of origin	Country of export	Producer	Exporter	Reference Price (USD/MT)
1.	29336100	Melamine	Melamine	China PR	China PR	Tianjin kaiwei chemical Co.ltd	Tianjin kaiwei chemical Co.ltd	1294.09
2.	29336100	Melamine	Melamine	China PR	China PR	Tianjin kaiwei eiei chemical Co.ltd	Any exporter other than Tianjin kaiwei chemical Co.ltd	1464.64
3.	29336100	Melamine	Melamine	China PR	China PR	Any producer other than Tianjin Kaiwei	Any exporter other than Tianjin kaiwei chemical Co.ltd	1464.64
4.	29336100	Melamine	Melamine	China PR	Any country other than China PR	Tianjin kaiwei eiei chemical Co.ltd	Any exporter	1464.64
5.	29336100	Melamine	Melamine	China PR	Any country other than China PR	Any producer other than Tianjin Kaiwei	Any exporter	1464.64
6.	29336100	Melamine	Melamine	Any country other than China PR	China PR	Any producer	Any exporter	1464.64

11. FUTHER PROCEDURE

The following procedure would be followed subsequent to notifying the preliminary findings :

- a. The Authority invites comments on these findings from all interested parties and the same would be considered in the final findings;
- b. Exporters, Importers, Petitioner and other interested parties known to be concerned are being addressed separately by the Authority, who may make known their views, within forty days from the date of the dispatch of the letter. Any other interested party may also make known its views within forty days from the date of publication of these findings;
- c. The Authority would conduct verifications to the extent deemed necessary;
- d. The Authority would provide opportunity to all interested parties for oral submissions, for which the date and time shall be communicated to all known interested parties separately;
- e. The Authority would disclose essential facts before announcing final findings.

Abhijit Sengupta,
Designated Authority