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F. No.14/8/2014-DGAD

Government of India

Ministry of Commerce & Industry

Department of Commerce

(Directorate General of Anti Dumping & Allied Duties)

4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi 110001

NOTIFICATION

Date: 19th June 2015

(Final Findings)

Subject: Anti-dumping duty investigation in the matter relating to import of Diketopyrrolo Pyrrole Pigment Red 254 (DPP Red 254) originating in or exported from China PR and Switzerland.

1. No.14/8/2014-DGAD: Whereas having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules,1995 thereof, as amended from time to time (hereinafter also referred to as the Rules); M/s Heubach Colour Private Limited (hereinafter referred to as the “applicant” or “petitioner” or domestic industry”) filed an application, alleging dumping of Diketopyrrolo Pyrrole Pigment Red 254 (DPP Red 254) (herein after referred to as subject goods) originating in or exported from China PR and Switzerland (herein after referred to as subject countries) for initiation of anti-dumping duty investigation into dumped imports of the subject goods and resultant injury to Domestic Industry and for levy of anti dumping duties on the subject goods originating in or exported from the subject countries.
2. And whereas, the Authority on the basis of sufficient evidence, submitted by the applicant issued a Notification No. 14/8/2014-DGAD dated 20th June 2014, published in the Gazette of India, Extraordinary, initiating anti-dumping investigations concerning imports of the subject goods, originating in or exported from the subject countries, in accordance with sub-Rule 5(5) of the Rules, to determine the existence, degree and effect of the alleged dumping and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the injury to the domestic industry.
 - A. **PROCEDURE**
3. The procedure described below has been followed by the Authority in the present investigation:
 - a. The Authority notified the Embassies of the subject countries in India about the receipt of application before proceeding to initiate the investigation in accordance with sub-Rule5 (5) of the AD Rules.
 - b. The Authority issued a notification dated 20th June 2014 published in the Gazette of India Extraordinary, initiating anti-dumping investigation concerning imports of the subject goods from the subject counties.

- c. The Authority forwarded a copy of the notification to all known exporters (whose details were made available by the applicant) and gave them opportunity to make their views known in writing in accordance with the Rule 6(2) of the AD Rules.
- d. The Authority also forwarded a copy of the notification to all the known importers of the subject goods in India and advised them to make known their views in writing within forty days from the date of the letter.
- e. The Authority provided a copy of the non-confidential version of application to the known exporters and the Embassy of the People's Republic of China and Embassy of Switzerland in India in accordance with Rule 6(3) of the AD Rules. A copy of the application was also provided to other interested parties, wherever requested.
- f. The Authority sent questionnaires to elicit relevant information to the following known exporters and manufacturers in the subject Countries, including Market Economy Treatment (MET) Questionnaire in case of China, in accordance with Rule6(4) of the AD Rules:

<p><u>CHINA PR</u> CINIC CHEMICALS (SHANGHAI) CO LTD, 1730, HUILLAN ROAD, QINGPU INDUSTRIAL CO LTD SHANGHAI, 201707, P.R. CHINA TEL NO. 86 21 52 40 0178</p>	<p><u>SWITZERLAND</u> BASF SCHWEIZ AG BWU LK-26,P KLYBECKSTRASSE 141 PHONE NO: 00800- 33 0000 33</p>
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- g. In response to the initiation notification, only one producer/exporter from China, M/s Cinic Chemicals (Shanghai) Co. Ltd., China PR has filed the questionnaire response including MET response.
- h. Questionnaires were sent to the following known importers/users of subject goods in India calling for necessary information in accordance with Rule6(4) of the AD Rules:

Importers	Address
Nippon Paint (India) Pvt Ltd	KRM Centre, 9 th Floor, East Wing, No.2, Harrington Road, Chetpet, Chief Executive: Tel: 044 42982222 Email: tu@nipponpaint.co.in
Kansai Nerolac Paints Ltd 101, Bhawani Peth, Angarshaw Tariya Pune, Maharashtra	Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013 Tel: 022- 24 93 4001/ 2499 2500
Voxco Pigments and Chemicals pvt. Ltd	A/403, Kemp Plaza, Mind space off Link Road, Malad West Mumbai India- 400064
The Indian Paint Association	2 nd Floor (Affiliated to Confederation of India Industry) 6, Netaji Subhas Road, Kolkata-700001
Berger Paints India Limited	Berger House, 129, Park Street, Kolkata-700017

- i. The following importers/users of the subject goods have responded in the form of questionnaire responses to the initiation of the investigation:
1. M/s. Akzo Nobel India Limited.
 2. M/s. Asian Paints Limited
 3. M/s. Kansai Nerolac Paints Company Ltd.
 4. M/s. PPG Asian Paints Private Limited
 5. M/s. Soujanya Color Pvt Ltd
 6. M/s. VOXCO Pigment and Chemical Pvt Ltd
- j. Further Indian Paint Association (“IPA”) has also filed submissions on the initiation notification.
- k. Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties. Submissions made by all interested parties have been taken into account in disclosure statement.
- l. The confidentiality claims of various interested parties in respect of the data submitted by them have been examined. The information, which is by nature confidential or which has been provided on a confidential basis by the interested parties, along with non-confidential summary thereof, has been treated confidential.
- m. Further information was sought from the applicant and other interested parties to the extent deemed necessary. Verification of the domestic industry and cooperating producers/exporters was conducted to the extent considered necessary for the purpose of the investigation.
- n. The Non-injurious Price (hereinafter referred to as ‘NIP’) based on the cost of production and cost to make and sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure- III of AD rules has been worked out so as to ascertain whether Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.
- o. Investigation was carried out for the period starting from 1st January 2013 to 31st December 2013 (hereinafter referred to as the ‘period of investigation’ or the ‘POI’). The examination of trends, in the context of injury analysis covered the period from 2010-11, 2011-12 and 2012-13 and the POI.
- p. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of subject goods for the past three years, including the POI. The authority has relied upon import data procured from DGCI&S in the present investigation.
- q. The Authority held an Oral Hearing on 28th April 2015 to provide an opportunity to the interested parties to present information orally in accordance with Rule 6(6). The interested parties were allowed to present rebuttal arguments/rejoinders on the views/information presented by other interested parties. The Authority has considered submissions received from interested parties appropriately.
- r. The submissions made by the interested parties, arguments raised and information provided by various interested parties during the course of the investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority in this Final Findings Notification.
- s. Verification of the information and data submitted by the responding exporter and the applicant was carried out to the extent deemed necessary.
- t. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has treated such parties as non-cooperative and recorded its Final finding on the basis of the ‘facts available’ .

- u. A Disclosure Statement containing the essential facts in this investigation which has formed the basis of the Final Findings was issued to the interested parties on 11.06.2015. The post Disclosure Statement submissions made by interested parties have been considered and dealt with to the extent found relevant, in this Final Findings Notification.
- v. *** in this final finding represents information furnished by the interested parties on confidential basis and so considered by the Authority under the Rules.
- w. Exchange rate for conversion of US\$ to Rs. is considered for the POI as Rs. 59.36 as per exchange rates published by customs.

B. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

4. The product under consideration in the present investigation is "Diketopyrrolo pyrrole Pigment Red 254" (herein after referred as "DPP Red 254" or "subject goods" or "product concerned"). DPP Red 254 is a highly saturated medium shade red pigment with good hiding power, excellent fastness to organic solvent and outstanding light and weather fastness. The pigments are synthetic organic colors which retain their crystalline or particulate form throughout the application process. DPP Red 254 is having a brilliant shade, high color strength, opacity and saturation. The chemical name of DPP Red 254 is 3, 6-bis-(4-chlorophenyl)-2, 5-dihydro pyrrolo (3, 4- c) pyrrole ,1,4 dione. The molecular formula of DPP 254 is C₁₈H₁₀Cl₂N₂O₂. The color index number of DPP Red 254 is 56110 and chemical abstract number is 84632-65-5.
5. DPP Red 254 may be manufactured in many different shades or variants. All variants and shades of DPP Red 254 are covered within the scope of the product under consideration. It may be sold in crude or finished forms. The product scope includes crude pigment in any form (e.g. dry powder, paste, wet cake, etc.) and finished pigment in any form; examples include press cake, dry color, pigment blends, pigment dispersions.
6. DPP Red 254 is widely used as a high performance pigment in waterborne paints, air drying alkyds, stoving enamels, acid curing systems, amine curing epoxies, isocyanate cured systems, power coatings, etc. DPP Red 254 is also used in automotive and industrial paint applications. It is used to obtain metallic effect finishes and for formulation of new saturated metallic shades. It is used in plastic applications especially in polyolefin's, PVC and PS where they offer excellent all round properties and outstanding heat resistance. Other uses include transportation crates, caps, blow molded containers and films. DPP Red 254 is also used in making warp-free formulations for injection molded HDPE.
7. The subject goods are classifiable under Chapter 32 of the Custom Tariff Act, 1975 under tariff item 32041739. DPP Red 254 is also being imported under other sub-headings such as 32041111, 32041630, 32041711, 32041719, 32041720, 32041790, 32041973, 32041984, 32049000, 32061110, and 32064990. However, the customs classification is indicative only and in no way binding on the scope of this investigation.

EXAMINATION BY THE AUTHORITY

8. With regard to like articles, Rule 2(d) of the AD Rules 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 articles under investigation;

9. With regard to the possible difference between the product sold by the exporters in the Indian market and the product sold by the domestic industry, the Authority notes that it has not been disputed by the exporters that there is any difference in the two products. After considering the information on record, the Authority holds that there is no known difference in product under consideration exported from subject countries and the product produced by the Indian industry. Product under consideration produced by the domestic industry are comparable to the imported subject product in terms of characteristics such as physical & chemical characteristics, functions & uses, product specifications, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably.
10. Also no issues were raised in respect to product under consideration by the respondents in the present investigation. Thus, the Authority proposes to hold that product under consideration produced by the applicant domestic industry is like article to the subject product under consideration in accordance with the AD Rules.

C. SCOPE OF DOMESTIC INDUSTRY AND STANDING

The application was filed by M/s Heubach Colour Private Limited, a 100% EOU. The applicant submitted that it is the sole manufacturer of the subject goods in India.

Views of the Interested Opposing Parties

11. Interested parties inter alia stated as follows:
 - a) Petitioner is a 100% EOU; it is not eligible to be a domestic industry under Rules 2(b) and 5(3) of the AD Rules.
 - b) There are lots of benefits available to an EOU under the Foreign Trade Policy.
 - c) If Petitioner is considered as domestic industry, it should be treated as domestic industry only to the extent of Petitioner's entitlement to sell in the domestic tariff area (hereinafter "DTA"). The entire production of DI cannot be taken as base for computing the injury.
 - d) Further giving reference of the Hon'ble Supreme Court of India in the case of *Virlon Textile Mills Ltd. v. Commissioner of Central Excise, Mumbai, 2007 (211) ELT 353 (SC)* has observed that DTA sales against foreign exchange are considered as physical exports.
 - e) EOU can sell its products in DTA only upon achieving positive NFE and may sell only 50% of the FOB value of exports in DTA upon payment of concessional duties.
 - f) An EOU is exempt from levy of antidumping duty which may be imposed by the Central Government on the inputs/capital goods. Clearances made by DTA to an EOU are also exempt from payment of duty and treated as "Deemed Exports".

- g) The prime focus of an EOU is to export its goods and in such circumstances, the focus of an EOU is not the domestic market and therefore it cannot be said that the goods produced by the EOU are competing with the imported products.
- h) Levy of anti-dumping duty on the subject goods would be contrary to the objective for which an EOU is set-up.
- i) The Designated Authority in Ceftriaxone Disodium Hemiheptahydrate-Sterile from China PR did not consider a 100% EOU as domestic industry.
- j) Since the goods produced by an EOU are not competing with the imported products, there is no justification for providing ADD protection to the EOU units.

Views of the Domestic Industry

12. The domestic Industry has submitted as Follows:

- a) Being a 100% EOU, any industry receives several benefits. Even assuming without admitting that Petitioner receives any benefit by virtue of its status as 100% EOU, Petitioner's data demonstrates that it is unable to cope up with the prices of dumped imports and it is suffering material injury despite alleged benefit being received by it as a 100% EOU.
- b) The benefit of getting raw materials without payment of customs duty (available to Petitioner as a 100% EOU) is also available to normal DTA units under Advanced Authorization Scheme.
- c) The Designated Authority in its final findings in a number of investigations has held that an EOU is eligible to be a domestic industry under Rules 2(b) and 5(3) of the AD Rules. The Designated Authority in the following cases has considered an EOUs as domestic industry under Rules 2(b) and 5(3) of the AD Rules:
 - (i) *Solar Cells from Malaysia, China PR, Chinese Taipei and USA, Final Findings notified vide Notification No. 14/5/2012-DGAD dated 22 May 2014;*
 - (ii) *Vitamin-A Palmitate from China PR and Switzerland, Sunset Review Final Findings notified vide Notification F. No. 15/07/2011-DGAD dated 21 August 2013;*
 - (iii) *Alloy Road Wheels from China PR, Korea RP and Thailand, Final Findings notified vide Notification No. 14/7/2012-DGAD dated 9 June 2014;*
 - (iv) *Polypropylene from Oman, Saudi Arabia and Singapore, Final Findings notified vide Notification No. 14/5/2009-DGAD dated 23 August 2010;*
 - (v) *Compact Discs-Recordable (CD-Rs) from China PR, Hong Kong, Singapore and Chinese Taipei notified vide Notification No. 14/15/2005-DGAD dated 2 April 2007;*
 - (vi) *Digital Versatile Discs-Recordable (DVD-R and DVD-RW) from China PR, Hong Kong and Chinese Taipei notified vide Notification No. 14/17/2007-DGAD dated 19th November 2008;*
 - (vii) *Compact Disc-Recordable (CD-R) from Iran, Malaysia, Korea RP, Thailand, UAE and Vietnam notified vide Notification No. 14/9/2007-DGAD dated 6 March 2009.*

- d) The above final findings indicate that the Designated Authority has earlier accepted EOUs to qualify as domestic industry under Rules 2(b) and 5(3) of the AD Rules.
- e) As per the provisions of the Foreign Trade Policy, an EOU can sell up to 50% of the FOB value of its exports in DTA upon payment of concessional duties. It can also sell its production in DTA beyond the 50% limit but such sales would be subject to payment of full customs duties provided the EOU has achieved positive NFE.
- f) EOU scheme provides a competitive footing to serve the domestic and foreign customer better, provided there exists a fair market condition. Therefore, EOUs cannot be considered as beyond the scope of the domestic industry under the AD Rules. They are very much an industry in India.
- g) NFE for an EOU is not computed product wise. NFE is calculated Letter of Permission (LOP) wise.
- h) In the sunset review concerning imports of *Vitamin-A Palmitate from China PR and Switzerland* (Final Findings notified vide Notification F. No. 15/07/2011-DGAD dated 21 August 2013), the Designated Authority considered the sole petitioner which was a 100% EOU as domestic industry under Rules 2(b) and 5(3) of the AD Rules.
- i) In *Ceftriaxone Disodium Hemiheptahydrate-Sterile from China PR*, Orchid Chemicals never filed an application for initiation of anti-dumping investigation in the above case and never participated during the course of the entire investigation. Further, during the course of the investigation when the Designated Authority requested information from Orchid Chemicals, it was found that Orchid Chemicals did not have sales in the domestic market. Therefore, it is obvious that an entity which neither filed the application before the Designated Authority nor participated in the investigation and also did not have domestic sales would not be considered as domestic industry under the AD Rules. Therefore, Petitioner submits that Respondent is relying on the case of *Ceftriaxone Disodium* only to misguide the Designated Authority

Examination By The Authority

- 13. The various submissions made by the interested parties during the course of the present investigation with regard to the scope of domestic industry & standing and considered relevant by the Authority are examined and addressed as follows:
 - a. As regards the submission of the interested parties that the petitioner being a 100% EOU cannot be considered as domestic industry, the Authority notes that Rule 2(b) of the Anti-dumping Rules defines domestic industry as under:-

(b) "domestic industry" means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term 'domestic industry' may be construed as referring to the rest of the producers";

- b. In terms of the above stated Rule, there is no explicit exclusion of EOUs from the scope of domestic industry.
- c. With regard to the eligibility of the 100% EOU units and conditions to sale in the DTA, the Authority notes that Paragraph 6.8 (a) and (h) of the Foreign Trade Policy, 2009-14 lays down the relevant provisions as follows:

6.8 Entire production of EOU/EHTP/STP/BTP units shall be exported subject to following:

(a) Units, other than gems and jewellery units, may sell goods upto 50% of FOB value of exports, subject to fulfillment of positive NFE, on payment of concessional duties. Within entitlement of DTA sale, unit may sell in DTA, its products similar to goods which are exported or expected to be exported from units. However, units which are manufacturing and exporting more than one product can sell any of these products into DTA, upto 90% of FOB value of export of the specific products, subject to the condition that total DTA sale does not exceed the overall entitlement of 50% of FOB value of exports for the unit, as stipulated above. No DTA sale at concessional duty shall be permissible in respect of motor cars, alcoholic liquors, books, tea (except instant tea), pepper & pepper products, marble and such other items as may be notified from time to time. Such DTA sale shall also not be permissible to units engaged in activities of packaging/labeling/segregation/refrigeration/compacting/micronisation/pulverization/granulation/ conversion of monohydrate form of chemical to anhydrous form or vice-versa. Sales made to a unit in SEZ shall also be taken into account for purpose of arriving at FOB value of export by EOU provided payment for such sales are made from Foreign Exchange Account of SEZ unit. Sale to DTA would also be subject to mandatory requirement of registration of pharmaceutical products (including bulk drugs). An amount equal to Anti-Dumping duty under section 9A of the Customs Tariff Act, 1975 leviable at the time of import, shall be payable on the goods used for the purpose of manufacture or processing of the goods cleared into DTA from the unit.”

“(h) EOU/EHTP/STP/BTP units sell finished products, except pepper and pepper products and marble, which are freely importable under FTP in DTA, under intimation to DC, against payment of full duties, provided they have achieved positive NFE. An amount equal to Anti-Dumping duty under section 9A of the Customs Tariff Act, 1975 leviable at the time of import, shall be payable on the goods used for the purpose of manufacture or processing of the goods cleared into DTA from the unit.”

- d. The above provisions of the Foreign Trade Policy shows that EOUs are not debarred from selling in the DTA and the scheme under para 6.8 (a) states that EOU units can sell goods upto 50% of FOB value of export at concessional rates of duties. However, the provisions at para 6.8 (h) of the scheme does not put any such capping on supplies from EOU to DTA at payment of full duties. Under both the above scenarios, the scheme obligates the 100% EOU units to maintain a positive NFE situation which is calculated in blocks of Five Years which is also extendable based on the requests of the Unit.
- e. The Authority also notes that in certain past cases involving EOUs, the Authority has granted them the status of domestic industry to the extent of their domestic sales within the limit of their entitlements permitted under the foreign trade policy of India.

14. During the verification visit, it was stated by the Petitioner that NFE requirements are against a single LOP which may have multiple products, therefore even if Petitioner imports 100% of its raw material requirement for the product concerned and sells its entire production quantity of the subject goods in the DTA, it will still achieve positive NFE for the concerned LOP.
15. In view of the above and after due examination, the Authority proposes to hold that the applicant satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules and constitutes domestic industry within the meaning of Rule 2(b).

D. CONFIDENTIALITY

Submissions by the Exporter

16. The exporter has claimed confidentiality pertaining to trade data and regarding the details of the structure of their business enterprise.

Submissions made by Domestic Industry

17. The following are the submissions of domestic industry
 - a. The Exporter (CINIC) has claimed confidentiality on a number of data elements which are neither business sensitive nor capable of causing any adverse effect on it if such information is disclosed.
 - b. The Exporter claims in response to Question A1) of the exporter's questionnaire response that it is a 100% subsidiary of a Hong Kong based company CINIC Holding Limited. However, the ownership structure of this holding company in Hong Kong has been kept confidential. The Exporter's MET response is also incomplete as information regarding persons affiliated with the company and their functional and structural description is not provided. Even the names of board of directors, shareholders and their functions have been kept confidential. It is not clear as to how even the name of the directors of the company could be claimed confidential
 - c. The Exporter has claimed confidentiality on all the appendices filed in the non-confidential version of the exporter's questionnaire response, to the extent that even the names of the headings in all the appendices have not been provided. Petitioner is unable to know what deductions the exporter has claimed in its exports transactions to India.
 - d. The Exporter has failed to disclose the names of the raw material suppliers, whether the raw materials suppliers are related to the Exporter, whether the Exporter is purchasing raw material at market price/arm's length price. Further, the Exporter has failed to disclose if the raw material is state-owned or a private entity. Also names of major suppliers of raw materials, supplier of utilities, sub-contractors, lenders, distributors, and resellers have been kept confidential. Without disclosure of such information, it is impossible for Petitioner to give meaningful comments on the genuineness of the Exporter's MET claims

Examination By The Authority

18. The various submissions made by the interested parties during the course of the present investigation with regard to confidentiality and considered relevant by the Authority are examined and addressed in terms of Rule 7 of Anti-dumping Rules.
19. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis was directed to provide sufficient non-confidential version of the information filed on confidential basis. The Authority made available the non-confidential version of the evidences submitted by various interested parties in the form of public file.

E. ASSESSMENT OF DUMPING – METHODOLOGY AND PARAMETERS**Normal Value, Export Price and Dumping Margin****Normal Value**

20. 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 transshipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

Provisions relating to Non- Market Economy countries

21. Annexure-I to AD rules states as under:

7. In case of imports from non-market economy countries, normal value shall be determined on the basis if the price or constructed value in the market economy third

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

8. (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 purposes 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 nonmarket economy country*

Provided, however, that the 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 the criteria specified in sub-paragraph (3)

- (3) *The designated authority shall consider in each case the following criteria as to whether:*
- (a) *the decisions of the 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 paragraph 7 and in this paragraph”.

Normal Value for China PR**Views of the Domestic Industry**

22. The following are the submissions made by the applicants in respect of normal value:
- a. China should be considered a non-market economy, in line with the position taken by the Authority in previous cases, and by investigating authorities in other countries. Chinese producers' cost and price cannot be relied upon for determination of normal value.
 - b. Market economy status cannot be granted unless following conditions are fulfilled:
 - i. Market economy status cannot be given in a situation where one of the major shareholders is a State owned/controlled entity
 - ii. Market economy status cannot be given unless the responding Chinese exporters establish that the prices of major inputs substantially reflect market values
 - iii. Market economy status cannot be given unless the responding exporter establish that their books are audited in line with international accounting standards
 - iv. Market economy status cannot be granted even if one of the parameters is not satisfied
 - v. The onus/obligations to establish market economy status is onto responding Chinese exporters and not onto the Designated Authority.
 - vi. Market economy status cannot be granted unless the responding company and its group as a whole make the claim.
 - vii. In a situation where the current shareholders have not set up their production facilities themselves but have acquired the same from some other party, market economy status cannot be granted unless process of transformation has been completely established through documentary evidence.
 - c. The Petitioner has determined normal value of subject goods based on constructed cost of production of the subject goods.
 - d. MET claims must be filed by CINIC group as a whole. Merely, by filing the MET claim of one of the group company will not entitle the Exporter to claim market economy treatment. The exporter has provided no evidence to establish that prices of inputs procured substantially reflected market value.
 - e. The inputs prices of subject goods do not reflect market values as suppliers of major inputs are State owned. The applicant requests the Authority that CINIC should be denied MET as per the consistent practice of the Designated Authority as raw material prices of major inputs of the product concerned does not reflect the market values. The authority has denied the MET claims to exporters in antidumping investigations concerning Front Axle Beam and Steering Knuckles meant for heavy and medium commercial vehicles' and Citric Acid.

Views of CINIC

23. The following submissions are made by CINIC in respect of Market Economy Status:
- a. CINIC has no business or operational relationship with any of the group companies, which has been explained in detail in response to MET Questionnaire.
 - b. CINIC is a wholly owned foreign enterprise.

- c. The export activities of CINIC are not controlled by the government by way of any legislative enactment or otherwise.
 - d. All the raw materials are procured from independent suppliers and CINIC has no relationship with any supplier.
 - e. All the transactions are on arm's length basis on principal to principal.
24. In response to the observation in the exporter's verification report, M/s CINIC has further submitted that:
- a. CINIC has provided all the relevant information with respect to all the group companies of CINIC
 - b. Has categorically provided source of funding of original founders of CINIC Holding Ltd.
 - c. CINIC Chemicals (Shanghai) Co. Ltd. Is 100% subsidiary of CINIC Holdings Ltd. (Hong Kong);
 - d. CINIC Holdings Ltd. (Hong Kong) is incorporated in Hong Kong;
 - e. *** China is also a 100% subsidiary of CINIC Holdings Ltd. (Hong Kong);
 - f. *** and *** are related to each other horizontally and not vertically i.e. no direct shareholding in each other:
 - g. *** is also a producer of pigments but they do not have any exports to India.
 - h. CINIC holding is based in Hong Kong and are not required to file the response to exporter questionnaire or MET questionnaire. Further, ***, though is engaged in the manufacture of pigments but they are not exporting the PUC to India. Therefore, it is established that for the purpose of present investigation, none of the related companies (except CINIC Chemicals (Shanghai) Co. Ltd.), are engaged in the manufacture and export of PUC to India. Hence, there is no requirement to file response to MET questionnaire by any of the related companies.

Examination of market economy claims of M/s. CINIC Chemicals (Shanghai) Co., Ltd,

25. At the stage of initiation, the Authority proceeded with the presumption by treating China PR as a non-market economy country. Upon initiation, the Authority advised the producers/exporters in China to respond to the notice of initiation and provide information relevant to determination of their market economy status. The Authority sent copies of the MET questionnaire to all the known exporters for rebutting presumption of non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules. The Authority also requested Government of China to advise the producers/exporters in their country to provide the relevant information.
26. In the present investigation, M/s. CINIC Chemicals (Shanghai) Co., Ltd claimed market economy treatment by filing MET questionnaire response. The data/information furnished by M/s. CINIC Chemicals (Shanghai) Co., Ltd was verified by the Authority. It was observed by the Authority during the course of on the spot verification that the MET questionnaire has been filed by the Petitioner but has not been given by all related companies, including the Group Company in order to claim MET status. The original source of funds for the two founders of CINIC Holdings Ltd., Hong Kong is also not known.
27. The verification report was sent to the subject company for comments through their representatives. In their response to the verification report they submitted a reply. The brief of the reply is that:

- a. CINIC Chemicals (Shanghai) Co. Ltd. is 100% subsidiary of CINIC Holdings Ltd. (Hong Kong) which is incorporated in Hong Kong;
 - b. *** is also a 100% subsidiary of CINIC Holdings Ltd. (Hong Kong), they also produce pigments but do not have any exports to India.
 - c. *** and *** are sister companies with no direct shareholding in each other;
 - d. CINIC holding is based in HongKong and are not required to file the response to exporter questionnaire or MET questionnaire. Further, ***, though is engaged in the manufacture of pigments but they are not exporting the PUC to India. Therefore, there is no requirement to file response to MET questionnaire by any of the related companies.
28. The Authority examined the comments/submissions made by the exporter company in this regard and notes that the company has not provided any satisfactory comments with substantiated documents on the observations of the Authority concerning the relation between the sister companies and the details of the group company. Further, they have not been able to prove whether various raw materials are at prices comparable with prevailing international market prices. The company has admitted that utilities like water, steam, natural gas and electricity are supplied by the local authorities/government undertakings/joint ventures, therefore, not at market driven prices. Also source of funds of investors and shareholders has not been given. It is observed by the Authority that CINIC Chemicals (Shanghai) Co. Ltd, China PR, is wholly owned subsidiary of CINIC Holdings Ltd. Hong Kong, which in turn is part of CINIC group, owned by two companies i.e. *** & *** holding *** & *** shares respectively. ***. (***) is wholly owned by ***and ***is wholly owned by ***. Besides, this CINIC Holdings Ltd. Hong Kong owns ***, China PR, who is also engaged in the Pigment manufacturing during the POI. CINIC Chemicals (Shanghai) Co. Ltd., China PR and *** are sister companies. Both the Group Company and the Sister Company have not filed response to the Exporter Questionnaire.
29. While the Authority appreciates that source of capital of owners is quite a normal business phenomena; particularly in the context of non-market economy situation, the fundamental issue that arises for consideration is the source of funds for the capital so invested, and compatibility of ownership structure with capital investments. The exporter could not establish source of funds for fairly large amount of investments.
30. In view of the above position, the Authority holds that CINIC Chemicals (Shanghai) Co. Ltd China PR continues to operate under non-market conditions and is unable to grant market economy status to CINIC Chemicals (Shanghai) Co. Ltd, China PR.

Normal Value for China PR

31. Since Authority has not granted market economy treatment to the responding producer/exporter for the purpose of this disclosure statement, the normal value has been determined on the basis of Para-7 to Annexure-I to the Rules.
32. The Authority has determined the normal value in China PR for all producers/exporters on the basis of facts available, in terms of para 7 of Annexure I to the Anti-dumping Rules. Accordingly, the ex-works Normal Value of the product under consideration for responding exporters from China PR has been constructed by taking into account the international price of the major inputs viz. Sodium Metal, 4-Chlorobenzonitrile (PCBN), DI-Isopropyl Succinate (DIPS), Tertiary Amyl Alcohol (TAA), Methanol and Glacial Acetic Acid and conversion costs of domestic industry,

duly adjusted to include selling, general & administrative costs and packing cost of the domestic industry. Profit margin of 5% is added for constructing the normal value.

Export price in case of producers and exporters from China PR

M/s. CINIC Chemicals (Shanghai) Co., Ltd

33. The Authority notes that M/s. CINIC Chemicals (Shanghai) Co., Ltd, China PR, has responded in the form and manner prescribed and have furnished the requisite information to determine the net export price. The Authority verified the details of export transactions submitted in the Appendix-2 of the Exporter's Questionnaire response filed by the concerned producer/exporter. The Authority made adjustments on account of inland freight, port & handling charges, bank charges, credit cost and non-refundable vat adjustment as claimed by the exporter in their response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for M/s. CINIC Chemicals (Shanghai) Co., Ltd, China PR, so determined is as mentioned in dumping margin table below.

Non-cooperative exporters from China PR

34. The export price for other producers/exporters in case of China PR is determined on the basis of best available information on record. The Authority made adjustments on account of inland freight, port & handling charges, bank charges, credit cost and non-refundable vat adjustment in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level as determined by the Authority is mentioned in the dumping margin table below.

Normal value in the case of producers and exporters from Switzerland

35. As there is no response from Switzerland and neither the information concerning the normal value of the subject goods in Switzerland during the POI has been made available by any interested party, nor could it be accessed in the public domain, the Normal Value for the producers/exporters in Switzerland has been determined by the Authority on the basis of international prices of major raw materials viz. Sodium Metal, 4-Chlorobenzonitrile (PCBN), DI-Isopropyl Succinate (DIPS), Tertiary Amyl Alcohol (TAA), Methanol and Glacial Acetic Acid and conversion costs of domestic industry, duly adjusted to include selling, general & administrative costs and packing cost of the domestic industry by adding reasonable profits @ 5%. The normal value so determined by the Authority for Switzerland is mentioned in the dumping margin table below.

Export price in case of producers and exporters from Switzerland

36. There is no response from any producer/exporter from Switzerland. In the light of the above, export price from all the producers/exporters in case of Switzerland is determined on the basis of information available on record. The Authority made adjustments on account of ocean freight, overseas insurance, port expenses, inland freight, bank charges and credit cost as claimed by the petitioner after due adjustment in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level in case of Switzerland has been determined as mentioned in the dumping margin table below.

DUMPING MARGIN

37. Comparing the normal value and export prices as determined in the preceding paragraphs, the dumping margin all exporters/producers from China PR and Switzerland has been determined by the Authority as follows:

Dumping Margin Table

Country of Origin	Producer	Exporter	Normal value	Net Export Price	Dumping Margin	Dumping Margin	Dumping Margin
			(US\$/Kg)	(US\$/Kg)	(US\$/Kg)	(%)	Range (%)
China PR	M/s CINIC Chemicals Co Ltd., Shanghai	M/s CINIC Chemicals Co Ltd., Shanghai	***	***	***	***	45-55
China PR	Others	Others		***	***	***	70-80
Switzerland	Any	Any	***	***	***	***	20-30

F. INJURY DETERMINATION AND CAUSAL LINK**Injury Determination****Submissions made by importers, exporters, users and Users' Association**

Submissions made by the interested parties are summarized below:

38. Submissions by CINIC

- a. Total imports have increased only by 153% whereas the domestic sales of Petitioner have increased by 165 indexed points over the injury analysis period.
- b. Market share of both the domestic industry as well as imports from the subject countries has increased. Respondent argues that both the domestic industry and subject countries have capitalized by increasing their market share while there is a decrease in market share of imports from other countries.
- c. Petitioner's market share has gone up from 38% in 2010-11 to 40% in the POI, whereas market share of imports from the subject countries has increased from 26% in 2010-11 to 45% in the POI.
- d. The injury to the domestic industry is due to capital expenditure on expansion of capacity in Petitioner's plant, which resulted in decrease in profitability of Petitioner.
- e. The injury to domestic industry is due to fall in Petitioner's exports; since Petitioner's domestic sales have increased in the injury analysis period.
- f. Petitioner has not been able to procure international orders for exports of its goods, which has resulted in increase in its inventory. Respondent then argues that increase in Petitioner's inventory is a direct result of increase in Petitioner's capacity and decline in exports.

- g. The domestic industry has exported major part of its production in the injury analysis period and during the POI, and therefore, this portion should not be considered as base figure for the purpose of calculating injury to the domestic industry.
- h. Even if the “*Domestic Industry*” status is given to EOU, the actual production and clearance to DTA should only be taken as the basis for the purpose of determining the injury.

39. **Submissions by Indian Paint Association**

- a. The DI during the public hearing has stated that it has only been able to capture 50% of the increased demand of the PUC in India during the POI and the injury period. However, capturing 50% of the increased demand itself suggests that the imports have had no adverse impact on the sales of the DI.
- b. The injury parameters of the domestic industry do not show existence of material injury or threat of material injury. Respondent argues that since Petitioner is a 100% EOU, it is exporting almost all of its production and therefore, Petitioner is not in competition with imports of the subject goods in the domestic market.
- c. The Petitioner’s installed capacity increased from 250,000 kg in 2010-11 to 350,000 kg in the POI. Respondent then argues that Petitioner’s production, domestic sales and market share also increased from the base year 2010-11 to the POI.
- d. The Petitioner’s installed capacity, production, domestic sales and market share show improvement during the injury analysis period and the POI, and therefore, there is no case for material injury to the domestic industry.
- e. There is no price undercutting in case of imports from China PR as the domestic procurement data of PPG Asian Paints and Kansai Nerolac shows that landed price of the subject goods from China PR is higher than the domestic procurement price of these companies.
- f. The Petitioner has failed to substantiate that there are huge unutilized capacities in China PR.
- g. Petitioner is suffering injury due to high interest cost.
- h. DI is importing the intermediate raw material from China in order to manufacture the PUC. However, the value of the Indian currency depreciated by nearly 20% during 2010-11 to 2012-13 which resulted in imports becoming expensive.

40. **Submissions made by Domestic Industry**

The domestic industry has submitted that:

- a. While submitting the various injury parameters such as market share, sales, demand and cost to make & sell, Petitioner has only taken the actual DTA sales made by the Petitioner.

- b. Imports from subject countries have increased by 291% over the injury analysis period. Petitioner is unable to increase its market share, which has remained only at around 40% in the injury analysis period. But market share of imports from subject countries has increased from 23% in 2010-11 to 42% in the POI.
- c. Imports from the subject countries have captured the market share. The respondents are quoting incorrect figures about market share of imports from the subject countries.
- d. The other interested parties have admitted that Petitioner has been unable to capture the market share when demand increased in India, while the market share of imports from the subject countries increased substantially to capture the demand in India.
- e. Market share of imports from subject countries increased from 23% in 2010-11 to 28% in 2011-12, which further increased to 34% in 2012-13 and reached an alarming level of 42% in the POI. This is an overall increase of 19% during the injury analysis period and the POI. The above trends clearly show that the imports from the subject countries have captured the market in India rather than the domestic industry.
- f. Petitioner has been unable to utilize its capacity (40% capacity idle in the POI) due to unfair competition from dumped imports from the subject countries. Petitioner is fully capable to meet the entire demand in India with its existing capacity.
- g. That Petitioner expanded its capacity in 2011-12 and Petitioner's exports also increased in a commensurate manner from 2011-12 to POI. Export performance of domestic industry has no bearing on the determination of injury to the domestic industry and Respondent's argument in this regard may be rejected outright.
- h. Opposing parties' approach of end-point to end-point comparison by comparing injury parameters in 2010-11 with the POI is incorrect. Such a comparison ignores intervening changes in circumstances and intervening trends and therefore presents an incomplete picture of the impact of dumped imports. A WTO panel in *US – Hot Rolled Steel* has made a similar observation, which is reproduced below:

*7.234 ...In our view, to the extent that Japan is suggesting that USITC should have made a static end-point-to-end point comparison, comparing 1996 levels to 1998 levels, we note that **such a comparison, by ignoring intervening changes in circumstances and conditions in which the industry is operating, would present a less complete picture of the impact of dumped imports.***

Footnote 163:

*In this regard, we share the views of the Panel in Argentina – Footwear: "An **end-point-to-end-point analysis, without consideration of intervening trends, is very unlikely to provide a full evaluation of all relevant factors as required**". Panel Report, Argentina Footwear, para. 8.217. This statement was of course made in the context of the Agreement on Safeguards, but the relevant provision in the Safeguards Agreement, Article 4.2(a) is very similar to Article 3.4 of the AD Agreement.*

- i. The landed price of imports is significantly below the cost of production of the domestic industry throughout the injury period. Imports have had significant suppressing effect on the prices of the domestic industry in the market. The gap between the cost of sales and the selling price of the domestic industry is shrinking throughout the injury period due to presence of dumped imports and the domestic industry is unable to increase its prices in proportion to increase in cost , thereby suffering huge losses.
- j. Petitioner's market share hovered around the 40% mark in the entire injury analysis period and the POI, while market share of dumped imports from the subject countries has substantially increased from 23% in 2010-11 to 42% in the POI.
- k. Price undercutting cannot be examined in isolation to the surrounding circumstances. Petitioner has been consistently forced by the user industry to match the low prices of dumped imports from the subject countries. This has forced the domestic industry to sell its goods below the cost of production resulting in substantial losses to the domestic industry.
- l. M/s CINIC Chemicals (Shanghai) Co. Ltd. has itself admitted in the public hearing that its capacity is 2500 MT per annum. This capacity is almost 10 times the capacity of the Petitioner. Further, another producer, BASF has also started its manufacturing facility in China PR. As per market information with Petitioner, there exist huge capacities in the subject countries for the subject goods. Therefore, existence of huge capacities in the subject countries, coupled with very low prices of imports from the subject countries, huge demand for the subject goods in India and export orientation of producers in the subject Countries to India demonstrate that India is a target of dumped imports of the subject goods.

Examination by the Authority

41. The Authority has taken note of submissions made by the interested parties. The Authority has examined the injury to the domestic industry in accordance with the Anti-dumping Rules and considering the submissions made by the interested parties.
42. Rules require the Authority to examine injury by examining both volume and price effect. A determination of injury involves an objective examination of both (a) the volume of the dumped imports and the effect of the dumped imports on prices in the domestic market for the like article and (b) the consequent impact of these imports on domestic industry. With regard to the volume of dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or relative to production or consumption in India. With regard to the effect of the dumped imports on prices the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of like product 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.
43. As regards the consequent impact of dumped imports on the domestic industry, Para (iv) of Annexure-II of Anti-dumping Rules states as under:

“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 the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments.”

44. The Authority has examined the injury parameters objectively taking into account the facts and submissions made by various interested parties.

Assessment of Demand

45. The demand/apparent consumption of subject goods has been determined by adding domestic sales of domestic like product and imports of subject goods from all countries. The Authority notes that demand of subject goods increased significantly over the injury period as can be seen in the table below:

Particulars	Unit	2010-11	2011-12	2012-13	POI (Jan - Dec'13)
Imports					
China	Kgs	7563	3340	37660	48620
Trend	Indexed	100	44	498	643
Switzerland	Kgs	18140	27480	14360	26220
Trend	Indexed	100	151	79	145
Total Imports from subject countries	Kgs	25,703	30,820	52,020	74,840
Trend	Indexed	100	120	202	291
Imports from Other Countries	Kgs	44,173	37,416	32,424	32,428
Trend	Indexed	100	85	73	73
Total Imports	Kgs	69,876	68,236	84,444	107,268
Trend	Indexed	100	98	121	154
Total Domestic sales	Kgs	43,200	42,154	66,615	72,788
Trend	Indexed	100	98	154	168
Demand/Apparent Consumption	Kgs	113076	110390	151059	180,056
Imports from Subject Countries in relation to consumption	%	23	28	34	42
Total Production of DI	Kgs	185,479	176,438	176,356	208,611
Imports from Subject Countries in relation to production	%	14	17	29	36

- a) The Designated Authority noted that Imports of subject goods from subject countries were not coming into India in substantial quantities during 2010-11 and 2011-12. However, the same increased substantially during 2012-13 and POI.

- b) Imports from China PR have increased enormously from 7,563 kgs during 2010-11 to 48,620 kgs during POI.
- c) Imports from Switzerland have increased from 18,140 kgs during 2010-11 to 26,220 kgs during the POI.
- d) Imports of subject goods from subject countries in relation to Indian production have reached a level of 36% during POI showing an increasing trend.
- e) Imports from Subject Countries in relation to consumption in India reached a level of 42% during POI from a level of 23% during 2010-11.
- f) The imports have increased in absolute and relative terms from the subject countries.
- g) It is, thus, concluded that imports from subject countries have increased both in absolute terms and in relation to production and consumption in India.

Price Effect of the Dumped Imports on the Domestic Industry

46. With regard to the effect of the dumped imports on prices, Annexure II (ii) of the Rules lays down as follows:

"With regard to the effect of the dumped imports on prices as referred to in sub-rule (2) of rule 18 the Designated Authority shall consider whether there has been a significant price undercutting by the dumped imports as compared with the price of like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increase which otherwise would have occurred to a significant degree."

47. It has been examined whether there has been a significant price undercutting by the dumped imports compared with the price of the like product 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. The impact of dumped imports on the prices of the domestic industry has been examined with reference to the price undercutting, price underselling, price suppression and price depression, if any.

Price Undercutting

48. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, the Authority has compared landed price of imports with net sales realization of the domestic industry. In this regard, a comparison has been made between the landed value of the product and the average selling price of the domestic industry net of all rebates and taxes, at the same level of trade. The prices of the domestic industry were determined at the ex factory level. This comparison showed that during the period of investigation, the subject goods originating in the subject countries were imported into the Indian market at prices which were lower than the selling prices of the domestic industry. It is thus noted that imports of subject goods were undercutting the domestic prices and margin of undercutting is shown in the table below:

Particulars	2010-11	2011-12	2012-13	POI (Jan - Dec'13)
Domestic Sales Realisation (Rs. Per Kg)	***	***	***	***
Indexed	100	93	82	78
Landed Value				
China (Rs. Per Kg)	***	***	***	***
Indexed	100	114	89	91
Switzerland (Rs. Per Kg)	***	***	***	***
Indexed	100	74	83	71
Other Countries (Rs. Per Kg)	***	***	***	***
Indexed	100	87	108	120
Price Undercutting				
China (Rs. Per Kg)	***	***	***	***
Indexed	100	(29)	46	0
Switzerland (Rs. Per Kg)	***	***	***	***
Indexed	(100)	644	(112)	167
Other Countries(Rs. Per Kg)	***	***	***	***
Indexed	(100)	(71)	(169)	(221)
Price Undercutting % of Landed Value				
China	***	***	***	***
Switzerland	***	***	***	***
Other Countries	***	***	***	***

49. The authority noted that price undercutting with respect to imports from China PR is negligible during POI. The domestic Industry contended that the major reason for such negligible price undercutting is that domestic industry has to match the prices offered by exporters from China PR to retain their customers. Due to low prices offered by exporters from China PR domestic industry is left with no choice but to reduce its selling price in order to maintain its market share.
50. The Authority noted that price undercutting with respect to imports from Switzerland was positive during the POI.

Price Underselling

51. The Authority has also examined price underselling caused by the dumped imports from China PR and Switzerland. For this purpose, the NIP determined for the domestic industry has been compared with the landed price of imports. Comparison of NIP of the domestic industry with weighted average landed price of imports during the POI is as follows:

Particulars	Units	China PR	Switzerland
Non-injurious price	Rs/Kg	***	***
Landed Value	Rs/Kg	***	***
Price Underselling	Rs/Kg	***	***
Price Underselling	%	***	***
Price Underselling	% Range	20-30	30-40

52. It is seen that the landed value of the subject goods from subject countries were significantly lower than the NIP determined for the domestic industry.

Price Suppression/Depression

53. In order to determine whether the effect of imports is to depress prices to a significant degree or prevent price increases which otherwise would have occurred, the Authority examined the changes in the costs and prices over the injury period. The position is shown as per the Table below:

Particulars	Unit	2010-11	2011-12	2012-13	POI (Jan - Dec'13)
Cost of sales (Domestic)	Rs/Kg	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	128	120	142
Sales Value (Domestic)	Rs/Kg	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	93	82	78

54. It is seen that costs to make and sell has increased by 42 indexed points during the injury period, whereas domestic selling price in the same period has declined by 22 indexed points. The imports were depressing the prices of the domestic industry in the market and also preventing the price increases that would have otherwise occurred.

Other economic parameters of the domestic industry

55. Annexure II to the Anti-dumping Rules requires that a determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of like product. The Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. The various injury parameters relating to the domestic industry are discussed below.

(i) Production, Capacity, Capacity Utilization and Sales

56. The performance of the domestic industry with regard to production, domestic sales, capacity & capacity utilization was examined and shown in the table below:

Particulars	2010-11	2011-12	2012-13	POI (Jan- Dec'13)
Installed capacity for the year	250,000	350,000	350,000	350,000
Indexed	100	140	140	140
Total Production	185,479	176,438	176,356	208,611
Indexed	100	95.13	95.08	112.47
Capacity utilization (%)	74%	50%	50%	60%
Indexed	100	67.95	67.92	80.34
Domestic Sales	43,200	42,154	66,615	72,788
Indexed	100	98	154	168
Export Sales	135,355	90,130	114,740	97,460
Indexed	100	67	85	72
Demand	113,076	110,390	151,059	180,056
Demand Indexed	100	98	134	159

57. From the above table, it can be seen that the capacity utilization of the domestic industry has declined considerably during the POI. The domestic industry has been able to achieve a best capacity utilization of 74% during 2010-11. However, this came down to 60% during the POI. It has been stated by the petitioner that due to constant pressure from dumped imports, domestic industry had to reduce its prices to maintain its market; if domestic industry had not matched the prices offered by the exporters from subject countries then situation would have been more critical.

(ii) Inventories

Inventory	2010-11	2011-12	2012-13	POI (Jan - Dec'13)
Inventory (in Kg)	***	***	***	***
Indexed	100	261	331	264

58. It can be observed that due to constant pressure of dumped imports from subject countries, domestic industry is unable to dispose off its production at remunerative prices and consequently inventory of the domestic industry has been consistently on the rise starting from 2011-12.

Profits, profitability, return on investment and cash profits**(iii) Profitability**

59. Profits earned by the domestic industry from sale of the subject goods in the domestic

market has been as follows:-

Particulars	2010-11	2011-12	2012-13	PO (Jan - Dec'13)
Rs. Lakhs	***	***	***	***
Indexed	100	(13)	(51)	(201)
Rs. Per Kg	***	***	***	***
Indexed	100	(13)	(33)	(119)

60. The domestic industry's profitability has gone down drastically during POI due to intensified dumping by exporters from China PR and Switzerland. Domestic industry was earning profits during 2010-11. However, the dumping has intensified thereafter and domestic industry is not able to fully recover its cost of sales. From total profit of 100 indexed units in 2010-11, the domestic industry started incurring losses and reached into losses of 119 indexed units during the POI. The losses suffered by the domestic industry have increased substantially during the POI.

(iv) **Cash Profit**

Particulars	Unit	2010-11	2011-12	2012-13	POI (Jan - Dec'13)
Cash Profit	Rs. Lakh	***	***	***	***
	Indexed	100	22	12	(95)
	Rs. /Kg	***	***	***	***
	Indexed	100	23	8	(57)

61. Cash Profit situation of the domestic industry has also changed drastically. From total cash profit of 100 indexed units in 2010-11, the domestic industry started incurring losses during the POI. Due to persistent dumping of subject goods from subject countries, cash profits of the domestic industry has substantially declined and resulted into cash losses during POI.

(v) **Return On Capital Employed**

62. The return on capital employed followed the same trend as that of profits and cash profits. ROCE during POI has fallen significantly as compared to previous years.

Unit	Unit	2010-11	2011-12	2012-13	PO (Jan - Dec'13)
PBIT	Rs. Lakh	***	***	***	***
	Indexed	100	3	(26)	(177)
ROCE	%	***	***	***	***
	Indexed	100	1	(19)	(92)

63. It can be seen from the above table that domestic industry was earning profits during 2010-

11. It has been stated that due to severe dumping from subject countries, domestic industry is unable to recover the cost and consequently, incurring losses during 2011-12. The situation has turned critical during the POI when losses have increased significantly. The DI contended that it will be extremely difficult for the domestic industry to raise any investments to continue in operation of the PUC. Moreover, if the dumping intensifies further, the negative cash flows will increase further and the domestic industry will not be in a position to service its debts.

(vi) Growth

64. On examination of various economic parameters of the domestic industry, the Authority notes that on a year by year basis whereas production has shown negative trend in 2011-12 but shown improvement during the POI, domestic sales has declined during 2011-12 but shown improvements thereafter. Cost of sales has declined during 2012-13 but has again increased in the POI. Selling price as well as Profit/ Loss have shown negative growth trend during the entire injury period.

Particulars	Unit	2010-11	2011-12	2012-13	POI
Production	%	-	***	***	***
Domestic Sales Volume	%	-	***	***	***
Cost of Sales	%	-	***	***	***
Selling Price	%	-	***	***	***
Profit/ Loss per unit	%	-	***	***	***

(vii) Ability to raise capital investments

65. The Authority notes that given rising demand of the product in the country, the domestic industry has made investments in plant and machinery. However, despite these investments, the performance of the domestic industry has deteriorated considerably and further investment may get adversely affected.

(viii) Factors Affecting Domestic Prices

66. As stated elsewhere in this petition, quality of the goods produced by the domestic industry is at par with the imported goods. Domestic industry has sufficient capacity to cater to Indian demand and therefore, availability of material is not a constraint. Delivery problems are also almost non-existent. Thus, even though market conditions are favorably aligned for subject product produced by the domestic industry, yet the domestic industry is not operating at optimum capacity. Such a situation has arisen only because of dumped imports coming into the country at significantly low prices. Many of the Indian customers quote the prices at which the imported goods are coming into the country and ask the domestic industry to match the imported prices. The factors that adversely affect the domestic industry are both the volume of imports as well as the prices at which the imported goods enter the country.

(ix) Magnitude And Margin Of Dumping

67. The imports coming into India from the subject countries are far above the de minimis level of dumping margin. The dumping margin for subject countries is quite significant. With such high magnitude of dumping margin, dumped imports have caused material injury to the domestic industry. The domestic industry apprehends that the present situation is highly precarious and if imports continue to enter the country at the current dumping margin level, there is a likelihood of more intensified injury to the domestic industry.

Conclusion on injury

68. Based on the above, the Authority concluded that the dumped imports of the subject goods from the subject countries have increased in absolute terms as well as in relation to production and consumption of the subject goods in India. Imports of the product were undercutting the prices of the domestic industry in the market. Further, while the cost of production kept increasing over the injury period, the selling price was declining. The imports were thus suppressing the prices of the domestic industry and preventing the price increases that would have otherwise occurred in the absence of dumped imports. With regard to consequent impact of the dumped imports on the domestic industry, it is observed that while the demand for the product increased very significantly, the production and sales of the domestic industry declined due to the marked increase in the dumped imports. Consequently, the domestic industry lost market share which, in turn, affected other performance parameters.
69. The Authority noted that the domestic industry has suffered injury on account of volume as well as price effect of dumped imports, as a result of which the profitability of the domestic industry has declined. Return on capital employed and cash profits followed the same trend as that of profits. Both return on capital employed and cash profits turned negative in POI. Thus, growth in respect of most of the parameters such as profits, cash profits, return on capital employed, market share & inventory, etc. shows an adverse impact on the domestic industry. Thus, Authority concluded that the domestic industry has suffered material injury.

G. Other known factors and Causal Link

70. The submissions of various interested parties are summarized as under:

Submission by Indian Paint Association:

- a. There is no causal link between injury to the domestic industry and imports of the subject goods from China PR.
- b. Petitioner's cost of production is high when compared to producers from China PR as Petitioner imports the raw material while producers in China PR procure the same locally.

- c. Further the exporter M/s CINIC Chemicals (Shanghai) Co. Ltd. has economies of scale due to which its cost of production is low. It was argued that injury to the domestic industry is due to declining exports and high interest rates, which breaks the causal link.

Submissions of the Domestic Industry:

- a. Petitioner fails to understand what locus Respondent has to argue on behalf of unidentified producers/exporters from China PR and especially CINIC. Respondent argues that CINIC has economies of scale and therefore, CINIC's cost of production is low. Petitioner fails to find any mention of the same in CINIC's questionnaire responses. Further, CINIC also did not make any submission in this regard in the public hearing. Clearly, Respondent has no locus standi to make such submissions.
- b. Petitioner's exports, in fact, increased in the POI from 2011-12.
- c. Interest cost per unit was 100 indexed points in 2010-11, which increased slightly to 116 indexed points in the POI.
- d. Data has been duly verified by the Designated Authority and the data overwhelmingly indicates existence of material injury to the domestic industry.

Examination by the Authority

71. The Authority has examined whether other factors listed under the Anti-dumping Rules could have contributed to injury to the domestic industry. The examination of causal link between dumping and material injury to the domestic industry has been done as follows:

Imports from third countries

- a. The imports from countries other than the subject countries are not significant in volume terms so as to cause or threaten to cause injury to the domestic industry and in case of USA, price is much above the Non-Injurious price of domestic industry. Moreover, the price at which goods are coming from other countries is much higher than the price at which goods are coming from the subject countries.

Contraction in demand

- b. The Authority noted that the demand for the subject goods has shown significant improvement during the injury period. It has increased in the POI from the base year and the previous year. Possible contraction in demand could not have caused injury to the domestic industry.

Trade restrictive practices of and competition between the foreign and domestic producers

- c. The Authority noted that there is no trade restrictive practice which could have contributed to the injury to the domestic industry.

Developments in technology

- d. The Authority noted that the technology adopted by the domestic industry is comparable with that adopted by producers all over the world. There is no significant difference in the manufacturing process of Indian producers and foreign producers. In fact, domestic producers have been manufacturing the product for quite some time, and the technology for production is fairly established. Further, the user industry is technology neutral, so

any difference in the technology is not the reason for injury to the domestic industry.

Changes in pattern of consumption

- e. The domestic industry is producing the type of goods that have been imported into India. Possible changes in pattern of consumption are not a factor that could have caused claimed injury to the domestic industry.

Export performance

- f. Claimed injury to the domestic industry is not on account of possible significant deterioration in export performance of the domestic industry. In fact, exports by the domestic industry have not materially declined. In any case, the authority has considered domestic performance wherever possible.

Performance of the domestic industry with respect to other products

- g. The Authority notes that the performance of other products being produced and sold by the domestic industry has not affected the assessment made by the Authority of the domestic industry's performance. The information considered by the Authority is with respect to the product under consideration only.

Productivity of the domestic industry

- h. The Authority notes that the productivity of the domestic industry has followed the same trend as production and therefore deterioration in productivity is not the major cause of the injury to the domestic industry.

H. FACTORS ESTABLISHING CAUSAL LINK

- 72. Analysis of the performance of the domestic industry over the injury period shows that the performance of the domestic industry has materially deteriorated due to dumped imports from subject countries. Causal link between dumped imports and the injury to the domestic industry is established on the following grounds:
 - a) Imports are undercutting the prices of the domestic industry specifically from Switzerland.
 - b) The volume of imports from subject countries has increased significantly.
 - c) The consumers have increasingly switched their requirements to exporters from subject countries as a result of significant price difference. Thus, the price undercutting has led to significant increase in market share of imports and decline in market share of the domestic industry.
 - d) The presence of dumped imports in the country is preventing the domestic industry from increasing its prices in proportion to the rise in costs.
 - e) The subject imports are underselling the product sold by the domestic industry.
 - f) Deterioration in profits, return on capital employed and cash profits is a direct consequence of dumped imports.
 - g) The market share of dumped imports increased over the injury period.
 - h) As a result of significant price undercutting and underselling, capacity utilization of the domestic industry has not increased.

- i) The growth of the domestic industry became negative in terms of a number of price related economic parameters.
73. The above grounds clearly establish existence of causal link between the dumped imports and injury to the domestic industry. Thus, the Authority concludes that the domestic industry suffered material injury due to dumped imports of the subject goods originating in or exported from the subject countries.

I. MAGNITUDE OF INJURY AND INJURY MARGIN

74. The Authority has determined non-injurious price for the domestic industry on the basis of principles laid down in the Rules, as amended. The non-injurious price so determined has been compared with the landed prices of imports from the subject countries. The injury margin for all producers and exporters from subject countries has been determined by the Authority on the basis of best available facts.

Injury Margin

Country of Origin	Producer	Exporter	NIP	Landed Value (US\$/Kg)	Injury Margin (US\$/Kg)	Injury Margin (%)	Injury Margin (%) Range
			(US\$/Kg)				
China PR	CINIC Chemicals Co Ltd., Shanghai	CINIC Chemicals Co Ltd., Shanghai	***	***	***	***	35-45
China PR	Others	Others		***	***	***	40-50
Switzerland	Any	Any	***	***	***	***	30-40

J. Post disclosure Statements/Submissions

The submissions made and points raised are the same as raised earlier and dealt with above in this finding. However, they are being summed up again hereunder:

Post Disclosure Statement by the Exporter and Importers

75. CINIC has contended that the definition under Rule 2(b) of the Rules only covers the domestic producer of PUC as a whole. Whereas, EOU does not satisfy this condition to be termed as a Domestic Industry. It is clearly established that an EOU can sell its production in DTA beyond the 50% limit but sales would be subject to payment of full customs duties provided the EOU has achieved positive NFE. This analysis is sufficient to conclude that an EOU cannot be treated as a domestic industry for the purpose of Anti-Dumping Rules.
76. The CINIC Holding is based in Hong Kong and is not engaged in the manufacture of PUC, therefore, is not required to file the response to exporter questionnaire or MET questionnaire. Further, CINIC Chemicals (Taixing) Co. Ltd., though is engaged in the manufacture of pigments but are not exporting the PUC to India at all. Therefore, it is established that for the purpose of present investigation, none of the related companies (except CINIC Chemicals (Shanghai) Co. Ltd), are engaged in the manufacture and export of PUC to India. Hence, there is no requirement

to file response to MET questionnaire by any of the related companies. It is further stated that Hon'ble Authority has not explained under which provision of law, the group companies or the parent company, which are either not based in China or are not engaged in exports of PUC to India would require to file response to MET Questionnaire or the Exporter Questionnaire.

77. CINIC has provided the details related to nature of contract with the raw material supplier and also stated that all the suppliers of raw materials are private companies and there are no transactions by CINIC with private persons or a local/regional authority. CINIC has also provided a breakup of cost of all the raw materials as required under the Exporter Questionnaire so as to compare it with the internationally accepted prices. The Hon'ble Authority is requested to consider all those information as submitted in the MET and EQ questionnaire to satisfy on the issue of pricing of raw materials. With regard to utilities like water, steam, natural gas and electricity which are supplied by the local authorities/government undertakings/joint ventures, CINIC has submitted that in any organized economy, the basic utilities of daily needs like water, gas, electricity etc. is controlled and distributed by the Government agencies. Like any other country including India also, all these basic utilities are provided by the Central or the State Government only. Therefore, the observation regarding the prices of daily utility being not at market driven prices is unwarranted and required to be reconsidered.
78. Further, in case of import from non-market economy countries, normal value shall be determined on the basis of (a) prices in the market economy third country; or (b) contracted cost of the market economy third country; or (c) price from such a third country to other countries including India or where it is not possible on any other reasonable basis, including the prices that is paid or payable in India for the like product, duly adjusted. There is an obligation on the Designated Authority, first to exhaust the option of finding surrogate country for the purpose of determining normal value. As emanating from the Disclosure Statement, it has simply accepted the contention of the Petitioner. Further, Clause 7 of Annexure 1 of the Rules clearly provides that "the parties to the investigation shall be informed without unreasonable delay, the aforesaid selection of market economy third country and shall be given a reasonable time to offer their comments". In absence of said analysis, the constructive normal value is incorrect resulting in error in calculation of Dumping Margin and other factors.
79. On behalf of Importers association, it has been claimed that the Annexure IV of the Disclosure Statement which mentions the details of the methodology for working out the NIP has not been made available and therefore it is not clear whether the different elements of the cost of production for example rate of return or the allocation of expenses of the applicant has been considered while computing the NIP.
80. The importer has stated that the injury analysis clearly reveals that no price undercutting exists with respect to import of the PUC from China PR. Moreover, the data of the applicant establishes that there has been significant increase in domestic sales value which means that the applicant has been able to get a fair price for its products. This also, therefore, breaks the causal link with respect to China PR. Moreover, the respondent would reiterate that that the applicant is the sole manufacturer of the PUC and is also an EOU and has been exporting 60%-76% of its products. In such circumstances, a recommendation of anti dumping duty would be severely prejudicial to the interest of the user industry and, therefore, the respondent respectfully submits that no recommendation for imposition of anti dumping duty be made in the present investigation

Post Disclosure Statement submissions by the Domestic Industry

81. In view of the Foreign Trade Policy, it is stated that the Applicant satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules. It has been correctly held that the Applicant constitutes “domestic industry” within the meaning of Rule 2(b) of AD Rules.
82. The Authority has correctly rejected the market economy claims of M/s. CINIC Chemicals Co Ltd., Shanghai the exporter continues to operate under non-market conditions and is not eligible to get market economy status.
83. The Authority has rightly determined the dumping margin for all exporters/ producers from China PR and Switzerland.
84. The authority has correctly concluded that domestic industry has suffered material injury due to dumped imports of the subject goods originating in or exported from the subject countries.
85. Designated Authority has correctly concluded that there is existence of causal link between the dumped imports and injury to the domestic industry. Thus, the Authority has rightly concluded that the domestic industry suffered material injury due to dumped imports of the subject goods originating in or exported from the subject countries.

Examination by the Authority

86. The various submissions made by the interested parties during the course of the present investigation with regard to the scope of domestic industry & standing particularly the submission that petitioner is a 100% EOU, was examined by the Authority in detail in paras 13 - 15 of this finding. After due examination, the Authority holds that the applicant satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules and constitutes domestic industry within the meaning of Rule 2(b).
87. As regards the submission of M/s. CINIC Chemicals (Shanghai) Co., Ltd for grant of MET status, the Authority notes that the company has not provided any satisfactory comments with substantiated documents on the observations of the Authority concerning the relation between the sister companies and the details of the group company. Further, they have not been able to prove whether various raw materials are at prices comparable with prevailing international market prices. The company has admitted that utilities like water, steam, natural gas and electricity are supplied by the local authorities/government undertakings/joint ventures, therefore, not at market driven prices. Also source of funds of investors and shareholders has not been given. It is observed by the Authority that CINIC Chemicals (Shanghai) Co. Ltd, China PR, is wholly owned subsidiary of ***, which in turn is part of CINIC group, owned by two companies i.e. *** & *** holding *** & *** shares respectively. *** is wholly owned by Mr. *** and *** is wholly owned by Mr. ***. Besides, this *** owns ***, China PR, who is also engaged in the Pigment manufacturing during the POI. CINIC Chemicals (Shanghai) Co. Ltd., China PR and ***, China PR are sister companies. Both the Group Company and the Sister Company have not filed response to the Exporter Questionnaire.
88. The Authority notes that in the context of non-market economy situation, the fundamental issue that arises for consideration is the source of funds for the capital so invested, and compatibility of ownership structure with capital investments. The exporter could not establish source of funds for fairly large amount of investments. In view thereof, the Authority holds that CINIC

Chemicals (Shanghai) Co. Ltd China PR continues to operate under non-market conditions and is unable to grant market economy status to CINIC Chemicals (Shanghai) Co. Ltd, China PR.

89. None of the interested party have suggested and shared data of third country for construction of normal value. In case of China, the most appropriate third country for which data is available is India. Therefore by constructing normal value based on international raw material prices and other costs of domestic industry, the Authority has fulfilled its obligation of determining the Normal value. In view thereof, the contention of the exporter is devoid of merit.
90. The Authority has clearly mentioned in the disclosure statement that non-injurious price for the domestic industry has been determined on the basis of principles laid down in the Rules. The NIP was worked out as per the principles outlined in Annexure III of the AD Rules, of which respondent importer is fully aware of. Subsequently the details of the method have also been shared with them. Therefore, the apprehension of the respondent importer that they are not aware of the full facts of methodology is misplaced.

K. CONCLUSION

92. The Authority has, after considering the foregoing, come to the conclusion that:
- a. The subject goods have been exported to India from the subject countries below its normal value;
 - b. The domestic industry has suffered material injury;
 - c. The material injury has been caused by the dumped imports of the subject goods from subject countries.
 - d. The injury has been caused cumulatively by the imports from the subject countries.

L. INDIAN INDUSTRY'S INTEREST AND OTHER ISSUES

93. The Authority recognizes that imposition of antidumping duties might affect the price level of product in India. However, fair competition in Indian market will not be reduced by the anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantage gained by dumping practices, would arrest the decline of the domestic industry and help maintain availability of wider choice to the consumers of subject goods. Consumers could still maintain two or more sources of supply.
94. The Authority notes that the purpose of antidumping duties, in general, is to eliminate injury caused to the Domestic Industry by unfair trade practices of dumping so as to re-establish a situation of open and fair competition in Indian market, which is in the general interest of the country. Imposition of anti-dumping measures would not restrict imports from the subject countries in any way, and therefore, would not affect the availability of the products to the consumers.

M. RECOMMENDATIONS

95. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the exporters, importers and other interested parties to provide positive information on the aspects of dumping, injury and causal link. Having initiated and conducted the investigation into dumping, injury and the causal link thereof in terms of the AD

Rules and having established positive dumping margins as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that imposition of antidumping duty is required to offset dumping and injury. Therefore, the Authority considers it necessary to recommend imposition of definitive anti-dumping duty on imports of subject goods from the subject countries in the form and manner described hereunder.

96. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of definitive anti-dumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry. Accordingly, the antidumping duty equal to the amount indicated in Col No.9 of the table below is recommended to be imposed on all imports of the subject goods originating in or exported from the subject countries/territory.

Duty Table									
Sl. No	Tariff Item	Description of Goods	Specification	Country of Origin	Country of Export	Producer	Exporter	Amount (in USD)	Unit of Measurement
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	32041739	Diketopyrrolo pyrrole Pigment Red 254 (DPP Red 254)	Any specification	China PR	China PR	CINIC Chemicals Co Ltd., Shanghai	CINIC Chemicals Co Ltd., Shanghai	6.26	KG
2.	32041739	Diketopyrrolo pyrrole Pigment Red 254 (DPP Red 254)	Any specification	China PR	China PR	Any combination other than Sr No.1		7.58	KG
3.	32041739	Diketopyrrolo pyrrole Pigment Red 254 (DPP Red 254)	Any specification	China PR	Any country other than China PR	Any	Any	7.58	KG
4.	32041739	Diketopyrrolo pyrrole Pigment Red 254 (DPP Red 254)	Any specification	Any country other than subject countries	China PR	Any	Any	7.58	KG
5.	32041739	Diketopyrrolo pyrrole Pigment Red 254 (DPP Red 254)	Any specification	Switzerland	Switzerland	Any	Any	3.61	KG
6.	32041739	Diketopyrrolo pyrrole Pigment Red 254 (DPP Red 254)	Any specification	Any country other than subject countries	Switzerland	Any	Any	3.61	KG
7.	32041739	Diketopyrrolo pyrrole Pigment Red 254 (DPP Red 254)	Any specification	Switzerland	Any country other than Switzerland	Any	Any	3.61	KG

97. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 3A, 8B, 9 and 9A of the said Act.
98. An appeal against the order of the Central Government arising out of this final finding shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

(J. K. Dadoo)
Designated Authority