

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

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE & INDUSTRY

DEPARTMENT OF COMMERCE

DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES

JEEVAN TARA BUILDING, PARLIAMENT

STREET, NEW DELHI-110011

NOTIFICATION

Dated the 15 October, 2014

Subject: Mid-term Review of Anti-Dumping duties on imports of 'Sodium Nitrite' originating in or exported from China PR – Final Findings

No. 15/2/2013-DGAD – Having regard to the Customs Tariff Act 1975, as amended from time to time (hereinafter also referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995, as amended from time to time (hereinafter also referred to as the Rules) thereof;

A. Background of the Case

Whereas the original investigation concerning imports of Sodium Nitrite (herein after referred to as the subject goods) falling under Sub-heading 2834.10.10, originating in or exported from China PR (hereinafter referred to as the subject country), was initiated by the Designated Authority (hereinafter referred to as the Authority) vide Notification No. No 39/1/99-DGAD dated 4th November, 1999. The Designated Authority recommended imposition of provisional Anti-dumping duty on imports of Sodium Nitrite originating in or exported from China PR. The preliminary findings were published vide Notification No 39/1/99-DGAD dated 6th April 2000 and provisional duty was imposed on the subject goods vide Customs notification No. 76/2000-Customs dated 23rd May 2000. The Designated Authority notified the final findings on 3rd November 2000 and definitive anti dumping duty was imposed by Customs as per notification No. 147/2000-Customs dated 19th December 2000.

2. The Designated Authority initiated the sunset review investigation of anti-dumping duty imposed on imports of Sodium Nitrite (SNI) originating in or exported from China PR vide notification No. 39/1/1999-DGAD dated 2nd December, 2004 in accordance with Section 9A (5) of the Act, read with Rule 23 of Antidumping Rules, to review the need for continued imposition of duties in force and whether the expiry of the duty would be likely to lead to continuation or recurrence of dumping and

injury. The Designated Authority came out with final findings in the sunset review investigation on 1st December 2005 and anti dumping duty was imposed by Government as per notification No. 3/2006-Customs dated 17/01/2006.

3. The Designated Authority initiated a mid-term review investigation vide Notification No. 15/24/2008-DGAD dated 17th November 2008. The definitive duties were recommended by the Designated Authority vide its final findings Notification No. 15/24/2008-DGAD dated 13th November 2009 and the definitive duties were imposed by the Department of Revenue vide Notification No. 143/2009-Customs dated 22nd December 2009.

4. Pursuant to the second sunset review, the Authority notified its final findings vide Notification No. 15/4/2010 - DGAD dated 30th June, 2011 and recommended continued imposition of the anti-dumping duty on the imports of the subject goods, originating in or exported from the subject country. As per the recommendations of the Authority, the anti-dumping duty was imposed by the Central Government vide Notification No. 76/2011-Customs dated 17th August, 2011.

5. In view of the duly substantiated application filed by M/s. Deepak Nitrite Ltd., Pune on behalf of the domestic industry requesting for initiation of a review of the anti-dumping duty imposed on the imports of Sodium Nitrite, originating in or exported from China PR, in accordance with section 9A of the Act read with Rule 23 of the Rules. The applicant has alleged continued dumping of the subject goods, originating in or exported from the subject country and consequent injury to the domestic industry, due to imposition of inadequate and inappropriate form of anti-dumping duty, post 2nd sunset review investigation. The applicant claimed with prima facie evidence in this regard, and requested for change in the form of anti-dumping duty from current benchmark form to fixed form and enhancement in the quantum of anti-dumping duties.

6. Having satisfied on the basis of positive evidence submitted by the domestic industry substantiating the need for a review, the Designated Authority issued a Public Notice No. 15/2/2013-DGAD dated 18th October, 2013 published in the Gazette of India, Extraordinary, initiating Mid-term Review of the anti-dumping duties.

7. The scope of the present review covers all aspects of the previous investigations concerning imports of the subject goods, originating in or exported from the subject country.

B. Procedure

8. The procedure described below has been followed with regard to the subject investigation:

- a) The embassy of the subject country in New Delhi was informed about the initiation of the investigation in accordance with Rule 6(2) of the AD Rules.
- b) The Authority provided copies of the non-confidential version of the application to the known exporters and the embassy of the subject country in accordance with Rules 6(3) supra. A copy of the non-confidential version of the application was also made available in the public file and provided to other interested parties, wherever requested.
- c) The Authority forwarded a copy of the public notice to the following known producers/exporters in China PR (whose names and addresses were made available to the Authority) and gave them opportunity to make their views known in writing within forty days from the date of the letter in accordance with the Rules 6(2) & 6(4):
 - (i) Hebei Jingxing Bureau of Mines, Fengshan Chemical Factory
 - (ii) Shanxi Jiaocheng Hongxing Chemical Co., Ltd.
 - (iii) Shandong Zhucheng Zhongtai Chemical Co. Ltd.
 - (iv) Qingdao Hengyuan Chemicals Co. Ltd.
 - (v) China National & Chemicals I/E Corpn.
 - (vi) Wuhan Chemicals I/E Corp.
 - (vii) Yunnan Provincial Chemicals I/E Corporate
 - (viii) Jiagmen Chemicals I/E Company of Guangdong
 - (ix) Kunming Imports & Export Corpn.
 - (x) China Hunan Chemicals Imp. 7 Exp. Corpn.
 - (xi) Shanxi Jiaocheng Hongxing Chemical Co. Ltd.
- d) No response or submission has been filed by any of the producers/exporters from the subject country.
- e) The authority notes that in past years China PR has been treated as Non-market Economy country in anti dumping investigation by India and other WTO members. China PR has been treated as a non-market economy subject to rebuttal of presumption by the exporting country or individual exporters in terms of rules. A Market Economy Treatment (MET) questionnaire was also forwarded to all the known producers/exporters and the Embassy of China PR with the request to provide relevant information to the Authority within the prescribed time. While for the purpose of initiation the normal value in China PR was considered based on the cost of production of the subject goods in India, duly adjusted, the Authority informed the known producers/exporters from China PR that it proposes to examine the claim of the applicant in the light of para 7 and para 8 of Annexure I of Anti-dumping Rules, as amended. The exporters/producers of the subject goods from China PR were therefore requested to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 to enable the Authority to consider whether market economy treatment can be granted to the cooperative exporters/producers. However no response has been received from the producer/exporters of China PR in this regard.

- f) The Authority forwarded a copy of the public notice to the following known importers/consumers (whose names and addresses were made available to the authority) of subject goods in India and advised them to make their views known in writing within forty days from the date of issue of the letter in accordance with the Rule 6(4):
- (i) Ahmedabad Chemicals
 - (ii) Asiatic industries
 - (iii) Aries Dyechem Inds.
 - (iv) Bakul Aromatics & Chemicals Limited
 - (v) B. I. Mehta
 - (vi) Caffil Pvt. Ltd.
 - (vii) Dintex Dyechem Limited
 - (viii) Dynamic Industries Limited
 - (ix) Enzel Chem (I) Pvt. Ltd
 - (x) Farmson Pharmaceuticals Guj. Ltd..
 - (xi) Indocol Chem Ltd
 - (xii) Island Veerchemie
 - (xiii) Jansons Limited
 - (xiv) Ketul Chem Pvt. Ltd.
 - (xv) Metrochem Industries
 - (xvi) Manish Chemicals
 - (xvii) Parsin Chemicals Limited
 - (xviii) Prabava Exports
 - (xix) Ravi Dyewear Co. Ltd.
 - (xx) Roha Dyechem
 - (xxi) Savakashi Dye – O – Fab
 - (xxii) SU – Vi Chemicals Ltd.
 - (xxiii) Suven Pharmaceuticals Limited
- g) No response/submission has been submitted by any of the importers /users/other interested parties.
- h) The copy of the initiation notification was also sent to the following other known domestic producers of the subject goods:
- (i) Punjab Chemicals & Pharmaceuticals Limited, Chandigarh
 - (ii) National Fertilizer Limited, NOIDA
 - (iii) Rashtriya Chemicals and Fertilizers Limited, Mumbai
- i) The Period of Investigation (POI) for the purpose of the present review was 1st April, 2012 to 31st March, 2013 (POI). The examination of trends in the context of injury analysis covered the periods April 2009-March 2010, April 2010-March 2011, April 2011-March 2012 and the POI.
- j) The domestic industry had relied upon the data from the secondary sources i.e. IBIS. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of subject goods for the injury period including the POI and also the post-POI. Since during the POI the

volume of the imports of the subject goods from the subject country, as per the DGCI&S source, was found to be more than that reported in the IBIS data, and the price of the subject goods in DGCI&S data appears marginally lower as compared to IBIS, the Authority has relied upon the data from the DGCI&S source in the present investigation.

- k) Exporters, producers, importers and other interested parties who have neither responded to the Authority nor supplied information relevant to this investigation have been treated as non-cooperating interested parties by the Authority.
- l) The Authority made available non-confidential version of the evidence presented by interested parties in the form of a public file kept open for inspection by the interested parties as per Rule 6(7).
- m) In accordance with Rule 6(6) of the AD Rules, the Authority also provided opportunity to all interested parties to present their views orally in a public hearing held on 23rd July, 2014, which was attended by the domestic industry and their representatives. The domestic industry which only presented its views in the oral hearing was requested to file written submissions of the views expressed orally.
- n) The submissions made by the interested parties during the course of the investigation and considered relevant by the Authority, have been addressed in this finding.
- o) Verification of the information and data submitted by the participating domestic producers was carried out to the extent deemed necessary.
- p) Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- q) In accordance with Rule 16 of the Rules supra, the essential facts were disclosed by the Authority to the known interested parties vide a disclosure statement issued on 12th September, 2014 and comments received on the same, to the extent considered relevant by the Authority, have been considered in this finding.
- r) ***in this finding represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- s) The exchange rate for the POI has been taken by the Authority as Rs. 54.65 = 1 US\$.

C. Scope of Product under consideration and like article

C.1 Submissions made by the Domestic Industry

9. Following are the submissions made by the domestic industry with regard to product under consideration and like article:

- (i) The present investigation being a mid-term review, the scope of the product under consideration must remain the same as that in the original investigation.
- (ii) Product under consideration in the present mid-term review investigation, is Sodium Nitrite, which is an oxidizing as well as reducing agent. It is a white crystalline powder mostly used in pharmaceutical industries, dye industries, lubricants, construction chemicals, rubber blowing agent, heat transfer salts, meat processing, textiles etc. The subject goods are produced by using nitric acid obtained from nitrous oxide (nox gas) or ammonia at high temperature in presence of catalysts. The nitrous oxide is further absorbed in caustic soda/soda ash to get sodium nitrite. The product is odorless and soluble in water.
- (iii) Sodium Nitrite is classified under heading 2834.10 of the Customs Tariff Act, 1975. However, the customs classification is indicative only and in no way binding on the scope of the subject investigation.
- (iv) There is no known difference between the subject goods manufactured by the domestic industry and the subject goods imported from the subject country, which can have any impact on price, usage, quality etc.
- (v) The technology and primary production process employed by domestic industry and the producers of the subject country are comparable; however, the producers fine-tune their production process based on available facilities and necessities.

C.2 Submissions by producers/exporters/importers/other interested parties

10. None of the producers/exporters/importers/other interested parties has made any submissions in this regard.

C.3 Examination by the Authority

11. Product under consideration in the present mid-term review investigation, as in the earlier investigations, is Sodium Nitrite, which is an oxidizing as well as reducing agent. It is a white crystalline powder mostly used in pharmaceutical industries, dye industries, lubricants, construction chemicals, rubber blowing agent, heat transfer salts, meat processing, textiles etc. The subject goods are produced by using nitric acid obtained from nitrous oxide (nox gas) or ammonia at high temperature in presence of catalysts. The nitrous oxide is further absorbed in caustic soda/soda ash to get sodium nitrite. The product is odorless and soluble in water. This being a sunset review, investigation covers the product covered in the original and other earlier investigations.

12. Sodium Nitrite is classified under heading 2834.10 of the Customs Tariff Act, 1975. However, the customs classification is indicative only and in no way binding on the scope of the subject investigation.

13. The product under consideration produced by the Indian industry and imported from the subject country are comparable in terms of characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing and tariff classification of the goods. In view of the similarity in manufacturing process and substitutability, the Authority therefore holds that subject goods produced by Domestic Industry are like article as per Rule 2(d) of the Rules to the 'product under consideration' as per Rule 2(d) of Anti-Dumping Rules. Moreover the present investigation being a mid-term review, the scope of the product under consideration remains same as in the original and other earlier investigations.

D. Scope of Domestic Industry

D.1 Submissions by the Domestic Industry

14. Following are the submissions made by the domestic industry with regard to scope of the domestic industry and standing:

15. Deepak Nitrite Ltd. has filed the application. There are three more producers of Sodium Nitrite in the Country. Apart from petitioner, the subject goods are being produced by Punjab Chemicals & Pharmaceuticals Limited, National Fertilizer Limited and Rashtriya Chemicals and Fertilizers Limited. The petitioner commands a major share in Indian production.

D.2 Submissions by producers/exporters/importers/other interested parties

16. None of the producers/exporters/importers/other interested parties has made any submissions in this regard.

D.3 Examination by the Authority

17. Deepak Nitrite Ltd. has filed the application. There are three more producers of Sodium Nitrite in the Country - Punjab Chemicals & Pharmaceuticals Limited, National Fertilizer Limited and Rashtriya Chemicals and Fertilizers Limited. However, no information was furnished by them or any views expressed regarding support or opposition. In view of the above position, the Authority has relied upon information provided by the petitioner and assessed the production volumes of remaining producers. On the basis of the verified information, the Authority notes that M/s Deepak Nitrite constitutes 86.98% of the domestic production of the subject goods. Therefore, the Authority concludes that for the purpose of this investigation, the petitioner individually, constitutes domestic industry within the meaning of the Anti Dumping Rules.

E. Assessment of Market Economy Treatment, Normal Value, Export Price and Determination of Dumping Margin – Methodology and Parameters

E.1 Market Economy Claim

E.1.1 Submissions by the Domestic Industry

18. Following are the submissions made by the domestic industry:
- a) Since no questionnaire response has been filed by any of the Chinese companies, the subject country should be treated as non-market economy.
 - b) In the original and all other earlier investigations, the Authority had not granted market economy treatment to any of the exporters from China and determined the normal value in China on the basis of the constructed normal value based on the estimated cost of production of the subject goods in China with reasonable profit in terms of Para 7 & 8 of the Annexure 1 to the said Rules as amended. Authority should consider the same methodology to calculate the normal value for China PR in the current investigation.
 - c) The normal value in China can be determined on the basis of (a) price in India, and (b) cost of production in India, duly adjusted, including selling, general and administrative expenses and profit. Normal Value in China should be determined on the basis of cost of production in India, duly adjusted.
 - d) The petitioner has, therefore, claimed constructed normal value for the subject country based on the information available with the domestic industry.
 - e) Alternatively, the petitioner has claimed constructed normal value based on normal value determined by the USA in the investigations conducted by them. The normal value was determined by them on the basis of price in China. Thus, the petitioner constructed the selling price in China determined by US authorities by considering the information available in public domain. The normal value determined by the US authorities has been appropriately adjusted for the increase in the raw materials costs over the relevant period.

E.1.2 Submissions by producers/exporters/importers/other interested parties

19. None of the producers/exporters/importers/other interested parties has made any submissions in this regard.

E.1.3 Examination of Market Economy Claims

20. At the stage of initiation, the Authority proceeded with the presumption by treating China PR as a non-market economy country. The Authority sent copies of the MET questionnaire to all the known producers/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. In the present mid-term review investigation, however, none of the Chinese

producers/exporters has filed response. The Authority notes that in the past three years China PR has been treated as a non-market economy country in anti-dumping investigations by India and other WTO Members. In view of the above position, the Authority concludes to treat the subject country as non-market economy in the present investigation.

E.2 De Minimis Limits

21. As per the import data received by the Authority from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) and other secondary sources, the import of the subject goods from the subject country is above the de-minimis level

E.3 Determination of Normal Value

22. The Authority notes that none of the producers and exporters of the subject goods from the subject country has submitted the exporter's questionnaire response and market economy questionnaire response, consequent upon the initiation notice issued by the Authority and rebutted the non-market economy presumption. In view of the above position and in absence of rebuttal of non-market economy presumption by the respondent Chinese company, the Authority considers it appropriate to proceed with para-7 of Annexure-I to the Rules for determination of normal value in case of China PR.

23. Para 7 of Annexure I of the Anti-dumping Rules provide that:

"In case of imports from non-market economy countries, normal value shall be determined on the basis of 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."

24. None of the exporters/producers from the subject country has cooperated with the Authority and responded to the present investigation. Further none of the interested parties has provided any other alternate basis as defined in the Rules on which normal value can be determined. In view of the above position and considering China as a non-market economy, the Authority has determined the

normal value in accordance with para 7 of Annexure I of the AD Rules. In the absence of sufficient information on record regarding the other methods as are enshrined in para 7 of Annexure I of the Anti-dumping Rules, the Authority has determined the normal value by adopting the method of “other reasonable basis”. The Authority has, therefore, constructed the normal value for China PR on the basis of the cost of production of the domestic producer in India after making due adjustment for the international prices of major raw materials. The Authority has also provided for appropriate SGA expenses and reasonable profit as per its consistent practice. Accordingly, the constructed normal value for Chinese exporters has been determined as *** US\$/MT.

E.4 Export Price

25. As none of the exporters of the subject country has provided any information that can be used for determination of the export price, the Authority has determined the export price for all exporters from China PR on the basis of imports into India as per DGCIS data. The adjustments to the CIF prices have been made as per facts available on record. Accordingly, export price has been adjusted for ocean freight, marine insurance, commission, port expenses, bank charges, inland freight and adjustment for VAT. The net export price worked out by the Authority is *** US\$/MT.

E.5 Dumping Margin

26. Comparing the constructed normal value and export price at ex-factory level as determined above, the dumping margin for all the producers/exporters in the subject country is determined by the Authority as follows:-

Exchange Rate	US\$/INR	54.65
Normal value	US\$/MT	***
Net Export Price	US\$/MT	432.54
Dumping margin	US\$/MT	***
Dumping Margin	%	***
Dumping margin	Range %	40-45%

F. Examination of Injury Methodology For Injury Determination and Causal Link

F.1 Submissions by the domestic industry

1. The domestic industry has made the following submissions with regard to the injury and causal link:
 - a) There is continued dumping of the product under consideration from China. Dumping of the product under consideration is likely to intensify from the subject country should the current antidumping duty be revoked.
 - b) Even after recommendations by the Designated Authority and imposition of anti dumping duty by Govt. of India, the Chinese exporters command a significant .share in the market.
 - c) The landed price of imports is far lower than the domestic selling price and imports were undercutting the domestic prices.

- d) Resultantly, the domestic industry was under pressure and was unable to improve its prices when the costs were increasing in the current POI, as a result of which the domestic industry was suffering price suppression.
- e) The present ADD has been ineffective in protecting the domestic industry.
- f) Price undercutting leading to price suppression resulted in significant drop in profits, return on investment and cash flow to such an extent that all these parameters became negative in the POI.
- g) Despite anti-dumping duty in force, the profits of the domestic industry have declined. Should the current antidumping duties cease, the domestic industry would be forced to sell its product at a price comparable to import prices. This would mean significant financial losses, negative return on investment and significant cash losses.
- h) The domestic industry has not yet recovered from the past ill effects of dumping and revocation of anti-dumping duty shall imply intensified injury to the domestic industry in future.
- i) Domestic Industry has been prevented from utilizing its capacities to the fullest extent.
- j) Both cost of production and selling prices increased over the period, however, the increase in the selling price is less than the increase in the cost of production, resulting in losses.
- k) The production, sales and capacity utilization of the domestic industry has not shown significant improvements. Further, the profitability of the domestic industry has declined.
- l) Despite significant demand and such low prices being offered by the domestic industry, the inventories have increased.
- m) Sales volumes have not increased in proportion to the demand in the Country, whereas the domestic industry had expected to increase its sales beyond the rate of increase in the demand.
- n) Following parameters show that injury to the domestic industry has been caused by the dumped imports and thereby establish causal link:
 - (i) The dumped imports from the subject country have continued to enter the Indian port in the period of investigation.
 - (ii) Further, subject imports are available at prices lower than domestic prices. Once, the anti dumping duty is revoked, the dumped imports will cause further injury.
 - (iii) The capacities available with the Chinese producers and their export orientation suggest that in case anti-dumping duty is revoked, the volume of dumped imports would surge.
 - (iv) The imports are entering the country at low and dumped prices and are undercutting the prices of the domestic industry. The domestic industry, therefore, pleads for an enhancement of anti dumping duty in fixed form.
 - (v) The imports are undercutting the domestic prices. Resultantly, the domestic industry is faced with price suppression in the market. This

would result in significant financial losses to the domestic industry in the event of revocation of anti dumping duty.

(vi) In the absence of anti dumping measure, the likelihood of continuation of dumping and injury cannot be ruled out.

F.2 Submissions by producers/exporters/importers/other interested parties

27. None of the producers/exporters/importers/other interested parties has made any submissions in this regard.

F.3 Examination by the Authority

28. The investigation is for review, continuance and enhancement of anti-dumping duty in force in view of the claim of the domestic industry of continued dumping and consequent injury and likelihood of continued dumping and consequent injury. In consideration of the various submissions made by the domestic industry in this regard, the Authority proceeds to examine the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject country.

29. Rule 11 of Antidumping Rules read with Annexure–II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “.... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles....” In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

30. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the rules supra.

31. The present investigation is a mid-term review of anti-dumping duties in force. Rule 23 provides that provisions of Rule 11 shall apply, mutatis mutandis in case of a review as well. The Authority has, therefore, determined injury to the domestic industry considering, mutatis mutandis, the provisions of Rule 11 read with Annexure II. Further, since anti- dumping duties are in force on imports of the product under consideration, the Authority considers whether the existing anti-dumping duties on the imports of subject goods from China PR are required to be considered while examining injury to the domestic industry. The Authority has

examined whether the existing antidumping measure is sufficient or not to counteract the dumping which is causing injury.

32. According to Section 9(A)(5) of the Act, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of order of such extension.

33. For the purpose of current injury analysis, the Authority has examined the volume and price effects of dumped imports of the subject goods on the domestic industry and its effect on the prices and profitability to examine the existence of injury and causal links between the dumping and injury, if any. The Authority has examined injury to the domestic industry by considering information relating to M/s Deepak Nitrite Ltd., constituting domestic industry under the Rules. Accordingly, the volume and price effect of dumped imports have been examined as follows:

I. Volume effect of dumped imports and impact on domestic industry

a) Demand and Market Share

34. The demand and market share are analyzed as below:

	Unit	2009-10	2010-11	2011-12	POI
Sales of Domestic Industry	MT	24,320	25,308	23,739	21,677
Captive Consumption of DI	MT	1,308	1,070	1,280	2,081
Sales of Other Indian Producers	MT	3,955	4,127	4,500	4,434
Subject Country-China PR	MT	11,332	7,163	10,259	18,510
Country attracting ADD - EU	MT	2,595	5,776	4,703	3,508
Others Countries	MT	89	213	369	0
Total Demand including Captive	MT	43,599	43,656	44,850	50,210
Total Demand excluding Captive	MT	42,291	42,587	43,570	48,129
Market Share in Demand including Captive					
Domestic Industry	%	55.78	57.97	52.93	43.17
Captive Consumption of DI		3.00	2.45	2.85	4.14
Other Indian Producers	%	9.07	9.45	10.03	8.83
Subject Country-China PR	%	25.99	16.41	22.87	36.87
Country attracting ADD - EU	%	5.95	13.23	10.49	6.99
Other Countries	%	0.20	0.49	0.82	-
Market Share in Demand excluding Captive					
Domestic Industry	%	57.51	59.43	54.49	45.04
Other Indian Producers		9.35	9.69	10.33	9.21
Subject Country-China PR	%	26.80	16.82	23.55	38.46
Country attracting ADD - EU	%	6.14	13.56	10.79	7.29
Other Countries	%	0.21	0.50	0.85	-

35. The Authority has determined demand or apparent consumption of the product in the Country as the sum of domestic sales of the Indian producers and imports from all sources. The demand so assessed both, after including and excluding captive consumption of the domestic industry can be seen in the table given above. The Authority notes that demand for the product in the country during POI increased vis-à-vis the base year as well as the immediately preceding year, both including and excluding captive consumption by the domestic industry.

36. The Authority further notes that the market share of the domestic industry has increased up to 2010-11 and then declined. The market share of domestic industry has declined during the POI as compared to the base year as well as immediately preceding previous year, whereas market share of the other Indian producers has remained at the same level over the injury period. Further, the share of imports from the subject country vis-à-vis domestic demand has increased significantly during the POI as compared to the base year.

b) Import Volume & market share

37. With regard to volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports either in absolute terms or relative to production or consumption in India.

	Unit	2009-10	2010-11	2011-12	POI
Subject Country-China PR	MT	11,332	7,163	10,259	18,510
Country attracting ADD - EU	MT	2,595	5,776	4,703	3,508
Other Countries	MT	89	213	369	0
Total Imports	MT	14,016	13,152	15,330	22,018
Market Share in Imports					
Subject Country-China PR	%	80.85	54.47	66.92	84.07
Country attracting ADD - EU	%	18.52	43.91	30.67	15.93
Other Countries	%	0.63	1.62	2.40	-
Imports of Subject country in relation to					
Demand including Captive	%	25.99	16.41	22.87	36.87
Demand excluding Captive	%	26.80	16.82	23.55	38.46
Production	%	34.18	20.72	29.68	54.35

38. The Authority notes that the volumes of subject imports from China had declined in 2010-11 and then increased over the injury period. Further, the imports from the subject country vis-à-vis domestic demand and production have increased significantly during the POI as compared to the base year. It is noted that imports from China have increased after revision in the benchmark anti dumping duty in August 2011.

II. Price effect of dumped imports and impact on domestic industry

39. The impact on the prices of the domestic industry on account of imports of the subject goods from the subject country have been examined with reference to price undercutting, price underselling, price suppression and price depression. For the purpose of this analysis the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with landed value of imports from the subject country. For determining the net sales realization of the domestic industry, taxes, rebates, discounts and commission incurred by the domestic industry have been adjusted. The Authority has worked out Non-injurious price of the domestic industry for POI and compared the same with the landed value of the subject goods to arrive at the price underselling. The impacts of price effect are as follows.

a) **Price Undercutting and Underselling**

40. The Authority has made price undercutting and underselling analysis as below:

Price Undercutting

Particulars	Unit	2009-10	2010-11	2011-12	POI
Net Sales Realization	Rs./MT	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	104	115	121
Landed Price of imports	Rs./MT	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	111	115	120
Price undercutting without ADD	Rs./MT	***	***	***	***
	<i>Index</i>	100	44	109	122
	%	***	***	***	***
	Range	10-20%	2-10%	2-10%	10-20%

Price Underselling

Particulars	Unit	POI
Non injurious Price of Domestic industry	Rs./MT	***
Landed Value	Rs./MT	29,501
Price Underselling	Rs./MT	***
	%	***
	Range %	20-30%

41. From the above table, Authority notes that the landed price of imports is below the normal selling price and non injurious price of the domestic industry, resulting in significant price undercutting and price underselling.

b) **Price Suppression and Depression**

42. To examine the price suppression and depression effects of the dumped imports on the domestic prices, the trend of selling price of the domestic industry has been compared with the cost of sales and landed value of imported goods. The data given below table shows that the domestic industry's selling price has remained below its cost of sales during 2011-12 and the POI, signifying existence of price suppression effect.

Particulars	Unit	2009-10	2010-11	2011-12	POI
Cost of Sales	Rs/MT	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>102</i>	<i>141</i>	<i>171</i>
Selling Price	Rs./MT	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>104</i>	<i>115</i>	<i>120</i>
Landed Price of imports	Rs./MT	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>111</i>	<i>115</i>	<i>120</i>

III. **Examination of other economic parameters of the domestic industry**

43. 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. An examination of performance of the domestic industry reveals that the domestic industry has suffered material injury. The various injury parameters relating to the domestic industry are discussed below.

a) **Production, capacity and capacity utilization**

44. The Authority notes from the table below that capacity for the product under consideration has remained constant throughout the injury period. The capacity of domestic is jointly used for production of both sodium nitrite and sodium nitrate. The production and capacity utilization have increased in 2010-11 and then declined in 2011-12 and the POI.

Particulars	Unit	2009-10	2010-11	2011-12	POI
Capacity - Plant	MT	44,000	44,000	44,000	44,000
Production - Plant (SNI+SNA)	MT	38,151	42,810	41,106	39,335
Production - SNI	MT	29,200	30,445	30,065	29,622
Production - SNA	MT	8,952	12,365	11,042	9,713
Capacity Utilization - Plant	%	86.71	97.30	93.42	89.40

b) Sales of the Domestic Industry

45. Sales volume of domestic industry is given in the following table:

Particulars	Unit	2009-10	2010-11	2011-12	POI
Domestic Sales excluding Captive consumption	MT	24,320	25,308	23,739	21,677
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>104</i>	<i>98</i>	<i>89</i>
Domestic sales including Captive consumption	MT	25,628	26,378	25,020	23,758
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>103</i>	<i>98</i>	<i>93</i>

The Authority notes that the domestic sales have declined in the POI as compared to the base year as well as previous year, both including and excluding captive consumption.

c) Profit/loss, return on investment and cash flow

46. The return on investment, profit/loss before and after interest and cash profit are as shown in the table below:

Particulars	Unit	2009-10	2010-11	2011-12	POI
Cost of sales	Rs./MT	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>102</i>	<i>141</i>	<i>171</i>
Selling price	Rs./MT	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>104</i>	<i>115</i>	<i>120</i>
Profit/loss	Rs./MT	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>111</i>	<i>(11)</i>	<i>(128)</i>
Total profit/loss	Rs.Lacs	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>115</i>	<i>(11)</i>	<i>(114)</i>
Profit before Interest and tax	Rs.Lacs	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>108</i>	<i>(2)</i>	<i>(87)</i>
Cash Profit	Rs.Lacs	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>107</i>	<i>4</i>	<i>(78)</i>
Return on investment	%	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>119</i>	<i>(2)</i>	<i>(110)</i>

The Authority notes from the above table that both the cost of sales and selling price of the domestic industry have increased in POI as compared to the base year. However, the increase in selling price is far lower than the increase in the cost of sales. The domestic industry has suffered financial losses since 2011-12. Resultantly, negative cash profit and return on investment has been reported in this period. It is also noted that this decline in profitability may be attributed to the ineffectiveness of benchmark form of anti dumping duty.

d) Inventories

47. The data given in the table below shows that the inventory of the subject goods of the domestic industry was high during the POI as compared to the base year as well as the previous year.

Particulars	Unit	2009-10	2010-11	2011-12	POI
Average Inventories	MT	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	143	156	356

e) Employment and wages

48. From the table given below, the Authority notes that the employment of the domestic industry has increased during the POI as compared to the base year; whereas wages have declined. The petitioner has clarified that this expenditure on wages in POI does not include wages and salaries pertaining to SGA, which were earlier included in wages reported in the table below. It is, however, noted that the petitioner being a multi-product company, these parameters may not show current and potential adverse impact.

Particulars	Unit	2009-10	2010-11	2011-12	POI
Employment	Nos.	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	91	94	105
Wages	Rs. Lacs	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	105	136	85

f) Productivity

49. The Authority notes from the table below that the productivity of the Domestic Industry has increased and declined according to production trend.

Particulars	Unit	2009-10	2010-11	2011-12	POI
Productivity per day	MT	80	83	82	81
<i>Trend</i>	<i>Index</i>	100	104	103	101
Productivity per employee	MT	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	114	110	97

g) Factors affecting domestic prices

50. Consideration of the import prices from the subject country and other countries, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market shows that the landed value of imported material from subject countries is below the selling price of the domestic industry, causing significant price undercutting in the Indian market. It is further noted that imports of subject goods from other countries, except EU attracting anti dumping duty, are at much higher prices. There is no viable substitute to this product. It is also noted that demand for the subject goods was showing significant increase and this could not have been a factor affecting domestic prices. Thus, the major factor responsible for the domestic industry's prices is the landed price of the subject goods from the subject country and the cost of production of the domestic industry.

h) Growth

51. The Authority notes that the domestic industry has shown negative growth in most of the economic parameters such as production, domestic sales, capacity utilization and market share in demand on year to year basis. Further, profit, cash profit, ROCE, etc. have also deteriorated during the POI as compared to the base year.

Growth (year to year)	Unit	2009-10	2010-11	2011-12	POI
Production	%	-	38.13	(10.70)	(12.04)
Domestic Sales including Captive	%	-	***	***	***
Cost of Sales	%	-	***	***	***
Selling Price	%	-	***	***	***
Profit/ Loss per unit	%	-	***	***	***
Return on Capital Employed	%	-	***	***	***
Market Share of Domestic industry	%	-	1.64	(4.64)	(8.07)

i) Ability to raise Capital Investment

52. Though the domestic industry is a multi-product industry, the petitioner has claimed that dumping has caused severe price injury to the industry. Should the dumping from the present sources persist, ability of the domestic industry to raise capital would suffer severely.

IV. Causal Link

53. The Authority examined whether other known factors could have caused injury to the domestic industry as follows:

- (i) **Imports from Third Countries:** - The Authority notes that imports of product under consideration from other countries, other than EU (attracting ADD), are negligible and, therefore, could not have caused injury to the domestic industry.
- (ii) **Contraction in Demand:** - The Authority notes that there is no contraction in demand as the demand of the subject goods in the country has consistently increased throughout the injury period.
- (iii) **Pattern of consumption:** - It is noted that no significant change in the pattern of consumption for the subject goods has come to the knowledge of the Authority, nor any interested party has made any submission in that regard.
- (iv) **Conditions of competition:** - The Authority notes that the investigation has not shown that conditions of competition or trade restrictive practices are responsible for the claimed injury to the domestic industry.
- (v) **Developments in technology:** - The Authority notes that the investigation has not shown that there was any significant change in technology which could have caused injury to the domestic industry.
- (vi) **Export performance of the domestic industry:** - The export performance of the domestic industry is not relevant since price and profitability in the domestic and export market has been segregated by the Authority for the purpose of assessing injury to the domestic industry.

G. Likelihood of dumping and injury

54. The Authority has to determine as to whether the present anti-dumping duties imposed are able to prevent continued dumping of the product, or whether domestic industry continues to suffer injury as a result of such continued dumping. The rules provide for varying the anti-dumping duty, if so required. Thus, in a situation where dumping is preventing recovery of the domestic industry from the injury earlier suffered due to continued dumping of the product, it is most appropriate case to reconsider the anti-dumping duty – both in its form and its quantum.

55. The subject goods are continuing to enter the Indian market at dumped prices or are likely to be exported at dumped prices from the subject country in the event of continuation of anti dumping duties in its present form. It is pertinent to examine whether injury to the domestic industry is likely to increase due to these dumped imports if the duty is unchanged. It has already been established that the landed value of imports from the subject country to India was below the selling price and the non injurious price of the domestic industry during POI. The Authority has also examined the likelihood of continuation of injury to the domestic industry on the basis of information and evidence presented by the various interested parties during the course of the investigations. The Authority examined the likelihood of continuation or recurrence dumping and injury considering the parameters relating

to the threat of material injury in terms of Annexure II (vii) of the Rules, which states as under:

56.

“A determination of a threat of material injury shall be based on facts and not merely on allegation, conjecture or remote possibility. The change in circumstances, which would create a situation in which the dumping would cause injury, must be clearly foreseen and imminent. In making a determination regarding the existence of a threat of material injury, the Designated Authority shall consider, inter alia, such factors and;

- a. a significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation.*
- b. Sufficient freely disposable or an imminent, substantial increase in capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian market, taking into account the availability of other export markets to absorb any additional exports.*
- c. Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely to increase demand for further imports and,*
- d. Inventories of the article being investigated.”*

G.1 Submissions by the domestic industry

57. Following are the submissions made by the domestic industry in this regard:

- (i) Freely disposable present and potential capacities with the producers/exporters in the subject country - Exporters in the subject country have capacities far in excess of Indian demand. Significant quantity of product under consideration is being exported from the subject country to the countries worldwide. Even after exporting material and selling in their domestic market, the producers in the subject country are having excess unutilized capacities. If the existing anti dumping duty is allowed to continue without any modification, the volume of imports is bound to increase further. Thus, rendering the ineffectiveness of the existing anti dumping duty in force.
- (ii) Dumping margins determined in all previous investigations relating to the product concerned - The original and all subsequent investigations established existence of significant dumping. The dumping margin in the current period is also significant.

- (iii) Significant volume of imports at dumped prices in spite of anti dumping duty being in force - Imports from China PR have continued to enter the country in significant volumes and at dumped prices. When the imports from the subject country are significant even in the presence of anti dumping duty, there are all the probabilities that the volumes would increase in the event anti dumping duty continues without any modification. Further, considering the pace of increasing import volume at present, there is no reason to believe that the import volume will decline in the current scenario.
- (iv) Price undercutting with and without anti dumping duty in force - The landed price of imports and even the benchmark anti dumping duties is below the selling prices of domestic industry signifying positive price undercutting. This shows the ineffectiveness of anti dumping duty in force. Thus, in the event of continuation of current anti-dumping duty in the existing form and quantum and if the domestic industry chooses to sell at the import prices, the domestic industry would suffer significant financial losses.
- (v) Market Share held by the subject country in the Indian market - The subject country holds a significant market share in the Indian Market. This situation exists in spite of the present anti dumping duty.
- (vi) Export orientation of producers and exporters in subject country - Producers in subject country have built capacities far in excess of their domestic demand. Evidently capacities have been created considering export markets. Indian market being one of the huge markets in terms of its size, the dumping and injury is likely to recur at aggravated level in case the existing anti-dumping duties are not modified and enhanced at this stage.
- (vii) Vulnerability of the Domestic Industry - Vulnerability of the domestic industry relates to whether the industry would be susceptible to material injury in the event existing antidumping duty is not modified and enhanced. In such a situation, the Authority must consider whether the industry will deteriorate further upon continuation of anti dumping duty in its existing form and quantum. In the instant case, the domestic industry suffered injury from dumped imports for quite some time as confirmed by the determination of the previous investigations. This clearly establishes that the domestic industry is vulnerable to injury from dumped imports. In the event of continuation of current antidumping duty in its existing form and quantum, the domestic industry will have to either reduce the selling price by the amount of ADD or will maintain the current selling price. In either case, it will suffer material injury.
- (viii) The exporters and producers from the subject country have continued to

export the material at the dumped prices even after the imposition of the anti-dumping duty. There is no reason to consider that continuation of duties in the present form and quantum would not result in intensified dumping from China PR.

- (ix) In the present case, both form of duty as also quantum of duty are required to be reviewed and revised. While the form of anti-dumping duty is required to be modified to fixed form of duty, the quantum of duty is required to be re-fixed considering the current level of dumping and injury and considering the dumping and injury margin earlier established in the previous investigations. At the same time, since the investigations clearly establishes that there is an artificial increase in the import price with the intent to avoid anti-dumping duties, the quantum of anti-dumping duties is required to be fixed on the basis of dumping margin and injury margin determined at the time of previously concluded sunset review investigations. In the event of continuation of the anti-dumping duty in its present form and quantum, the product is likely to be dumped more intensively and undercut the prices of the domestic industry.

G.2 Submissions by producers/exporters/importers/other interested parties

58. None of the producers/exporters/importers/other interested parties has made any submissions in this regard.

G.3 Examination by the Authority

59. Rule 23 of Anti-dumping Rules of India requires the Authority to examine the need for continued imposition of the duty from time to time. A mid-term review would also involve an examination of the lasting nature of the changed circumstances and the likelihood scenario in the event of withdrawal of the duty. In order to determine whether the changed circumstances of dumping is of lasting nature and whether injury to the domestic industry would continue or recur in the future if the duties are continued in the existing form, the Authority has examined the submissions made by the interested parties.

60. The Designated Authority is required to examine the need for the continued imposition of the anti-dumping duty and whether the quantum of anti dumping duty is required to be modified. Following are relevant in this regard –

(i) Level of current and past dumping margin

61. The level of dumping margin in all the previous investigations as well as present investigation is significant. Despite the domestic industry holding the capacity to meet the entire demand, the import of the subject goods from the subject country still continues to be at dumped prices. Given the level of price

undercutting, underselling without the anti-dumping duty and price suppression and considering the capacity in China and demand in India, the volume of dumped import is likely to increase further in the event of revocation of anti-dumping duty.

(ii) **Export orientation of Chinese producers**

62. From the available information it is evident that the Chinese producers/exporters are very much export oriented. Considering the high demand and favorable market conditions for the subject goods in India and the high production capacity and export orientation of the Chinese producers, the Authority holds that if the existing antidumping duties are continued in the existing form and quantum, the Chinese producers would resort to excessive dumping.

(iii) **Huge Production Capacity in China**

63. As per the information furnished by the domestic industry, there are a number of producers of the subject goods in China holding significant surplus production capacity far more than Indian demand. In the event of continuation of anti-dumping duty in the existing form and quantum and considering the Chinese export orientation, the producers in China are capable of dumping the subject goods more intensively.

(iv) **Previous Determinations by other Authorities**

64. The DA had noted the determinations made by USITC in the previously concluded sunset review investigations against China as follows:

“Based on the information provided by the domestic industry, the Authority notes that the US Authority vide their investigation No. 701-TA-453 (Final) and 701-TA-1136-1137 (Final) dated August 2008, concerning imports of Sodium Nitrite from China and Germany, has also imposed anti-dumping duty against China. This is indicative of the potential and psyche of the Chinese producers/exporters to dump the subject goods into India in a more intensified manner, in the event of cessation of the existing anti-dumping duty imposed by India, causing further injury to the domestic industry.”

H. Magnitude of Injury and injury margin

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

Particulars	Unit	POI
Non injurious Price of Domestic industry	US\$/MT	***
Landed Value without ADD	US\$/MT	539.81
Price Underselling without ADD	US\$/MT	***
	%	***%
	Range %	20-30%

I. Indian industry's interest and other issues

66. None of the exporters/producers from China PR and importers/users in India have filed responses. The Authority recognizes that though the imposition of anti-dumping duties might affect the price levels of the product in India, fair competition in the Indian market will not be reduced by the anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantages gained by dumping practices, prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of subject goods. The Authority notes that the imposition of the anti-dumping measures would not restrict imports from the subject country in any way, and therefore, would not affect the availability of the product to the consumers. The purpose of imposing anti-dumping duties, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The consumers could still maintain two or even more sources of supply.

J. Post Disclosure Statement Submissions by the Interested Parties

J1. Post Disclosure Statement submissions by the opposing Interested Parties

78. None of the exporters/importers/users and other opposing interested parties has made any post Disclosure Statement submissions.

J 2. Post Disclosure Statement submissions by the Domestic Industry

79. Following are in brief the post Disclosure Statement submissions made by the domestic industry:

- (a) Non-injurious price may be re-determined confirming to AD Rules and past methodology applied by the Authority in this regard.
- (b) Product under consideration continues to be exported to India below its normal value resulting in dumping from the subject territory.
- (c) Domestic Industry has suffered continued injury in spite of existing anti dumping duty.
- (d) Recommend the form of duty in fixed form and express the duty in US\$ terms.

J 3. Examination by the Authority

80. The Authority has reached the conclusion that the post Disclosure Statement arguments of the domestic industry are repetitive and have already been dealt with by the Authority in the Disclosure Statement and under appropriate heads in this Final Findings Notification. As far as the issue of non-injurious price is concerned, the Authority has determined the non-injurious price as per the guidelines laid down in Annexure III to the AD Rules. As far as the issue of recommending the same form of duty in fixed form and expressing the duty in US\$ terms is concerned, the Authority noted that the form of duty is decided by the Authority keeping in view the nature, circumstances and merits of the individual case and accordingly, the form of duty and the currency of the duty has been determined in this case.

K. CONCLUSIONS

67. Having initiated and conducted the review as requested by the domestic industry and having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority through the submissions made by the interested parties or otherwise as recorded in this finding and on the basis of the above analysis of the state of current and likely dumping and injury and likelihood of continuation of and consequent injury, the Authority concludes that:

- (i) In spite of the anti-dumping duty in force, the subject country commands a significant share in the Indian market.
- (ii) The landed price of imports from China is significantly lower than the net sales realization of the domestic industry. Further, the benchmark price is ineffective being lower than the actual landed price of imports from the subject country.
- (iii) The exports from the subject country are causing positive price undercutting and positive underselling during the POI.
- (iv) The changed circumstances of dumping and injury are of lasting nature and are likely to continue and intensify if the duties are continued in the existing form and quantum.
- (v) The deterioration in the performance of the domestic industry is because of dumped imports from China PR.
- (vi) The current level and form of anti dumping duty is insufficient to address continued dumping and consequent injury to the domestic industry and thus the anti-dumping duty is required to be modified.

L. Recommendations

68. Having concluded as above, the Authority is of the view that the anti-dumping measure is required to be extended as specified in the duty table below.

69. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of anti-dumping duty equal to the lesser of the margin of dumping and the margin of injury, so as to remove the injury to the domestic industry. Accordingly, the anti-dumping duty equal to the amount indicated in Col. 8 of the table below is recommended to be imposed by the Central Government on the imports of the subject goods, originating in or exported from the subject country.

Duty Table

Sl No	Sub Heading or Tariff Item	Descrip tion of Goods	Country of origin	Country of Export	Producer	Exporter	Duty Amount	Unit of Measure	Currency
1	2	3	4	5	6	7	8	9	10
1	2834.1010	Sodium Nitrite	China PR	China PR	Any	Any	135.83	MT	US\$
2	-Do-	-Do-	China PR	Any other than China	Any	Any	135.83	MT	US\$
3	-Do-	-Do-	Any other than China	China PR	Any	Any	135.83	MT	US\$

m. Further Procedure

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

J.K.Dadoo
Designated Authority