

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

NOTIFICATION

New Delhi the 1st October, 2008

Final Findings

Subject: Initiation of Anti-Dumping investigation concerning the imports of Rubber Chemicals viz. MBT, CBS, TDQ, PVI, and TMT from China and PX-13(6PPD) from China and Korea RP.

No.14/5/2007- DGAD : Having regard to the Customs Tariff Act, 1975 as amended in 1995 (hereinafter referred to as Act) and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as Rules);

A. PROCEDURE:

The procedure described below has been followed:

- i. On 6th July 2007, the Designated Authority (hereinafter also referred to as the Authority issued an initiation notification, duly notifying the same in the Gazette of India, initiating an anti dumping investigation with regard to imports of Rubber Chemicals, viz, MBT, CBS, TDQ, PVI and TMT originating in or exported from China PR and PX 13 (6PPD) from China PR and Republic of Korea (hereinafter also referred to as subject countries).
- ii. The Anti dumping proceedings were initiated following an application received from NOCIL in respect of Rubber Chemicals, viz, MBT, CBS, TDQ, PVI and TMT originating in or exported from China PR and PX 13 (6PPD) from China PR and Republic of Korea (hereinafter also referred to as subject countries) representing a major proportion of the domestic production of said product. The application contained evidence of dumping of the said product from the subject countries and material injury resulting there from, which was considered sufficient to justify the initiation of the proceedings.
- iii. The Authority notified the Embassies / Representatives of the subject countries in India about the receipt of application made by the petitioner before proceeding to initiate the investigation in accordance with sub-rule (5) of Rule 5 supra;
- iv. According to sub rule (2) of the rule 6 supra, the Authority forwarded copy of the said initiation notification to the known exporters, importers, industry associations, embassies of the subject countries and to the applicants and gave them an opportunity to make their views known in writing.

v. According to sub-rule (3) of Rule 6 supra, the Authority provided a copy of non-confidential version of the application to all the known exporters in subject countries and Embassy of China in India as also Embassy of Korea in India. According to Rule 6 supra, the Authority provided a copy of the relevant questionnaire to all the known exporters and Embassy of China in India as also Embassy of Korea in India. The Embassy of China and Embassy of Korea in New Delhi were also informed about the initiation of investigation and were requested to advise the exporters/producers from their countries to respond to the questionnaire within the prescribed time. A copy of the letter and questionnaire sent to the exporters and producers were also sent to the respective embassies along with the names and addresses of the known exporters.

vi. The Authority sent questionnaires to elicit relevant information to the following known exporters in subject countries in accordance with Rules 6(4).

S.No.	Company's Name	Country
1.	Nanjing Chemical Plant	China
2.	Zhejiang Yongjia Chemical Factory	China
3.	Shandong Shanxian Chemical Company.Ltd.	China
4.	Zhenjiang No.2 Chemical Factory	China
5.	Hebei Haufeng Chemical Group	China
6.	Qingdao Rubber Chemical Group	China
7.	Shenzhen Huaren Industrial Co.	China
8.	Yixing Dongfang Fine Chemicals	China
9.	Zhejiang Yueqing Ultrafine Powders & Chemicals Co.Ltd.	China
10.	Shandong Yanggu Huatai Chemical Co.Ltd.	China
11.	Korea Kumho Petrochemical Co.Ltd.,	Korea

vii. In response to the above notification, the following exporters from China PR & Korea RP filed their questionnaire responses. The Chinese exporters also filed responses to Market Economy questionnaire.

1. Sinorgchem (Group)Co. – Shandong – China PR
2. Shandong Shanxian Chemical Co. Ltd.- China PR
3. Shandong Yanggu Huatai Chemical Co. Ltd.- China PR
4. Kumho Petrochemicals Co, Ltd Korea RP

viii. A copy of initiation notification along with the importer's questionnaire was also sent to the following known importers and users of subject goods in India calling for necessary information in accordance with Rule 6(4).

S.No.	Company's Name
1.	J.K. Industries Ltd., Kolkata
2.	CEAT Limited, Mumbai
3.	Appollo Tyres Ltd., Kochi
4.	Birla Tyre, Kolkata
5.	MRF Limited, Chennai
6.	Metro Tyres Ltd., Ludhiana
7.	Poddar Tyres Ltd. , Ludhiana
8.	Raison Ind. Ltd., New Delhi
9.	Rubber Products Ltd., Mumbai

ix). In response to the notification, response was received from Automotive Tyres Manufacturer's Association (ATMA), J.K.Industries Ltd. and PMC Group International which were considered.

x). The Authority notified preliminary findings vide Notification no. 14/5/2007-DGAD dated the 28th February, 2008 followed by a corrigendum to the same dated March 27, 2008 and requested the interested parties to make their views known in writing within forty days from the date of its publication.

xi). The Central Govt. imposed the provisional duties vide Notification No.61/2008 dated 06.05.2008.

xii). The Authority held a public hearing on 19th May 2008 to hear the interested parties orally, which was attended by the representatives of the domestic industry, Responding Exporters from China PR and Korea RP and Representatives of PMC Rubber Chemicals, ATMA, Merchem, Swarup Chemicals (P) Ltd and commercial Attaché from Korean Embassy in India. The parties attending the public hearing were requested to file written submissions of views expressed orally. Authority in this disclosure has considered the written submissions thus received from interested parties. The parties were allowed liberty to file rejoinder submissions on views expressed by other interested parties.

xiii). Apart from the domestic industry, arguments or submissions were made by only one exporter, i.e.M/S Sinorgchem Group of Companies before notification of preliminary findings. However, arguments that arose and have been put forth by the interested parties after the preliminary findings have been dealt in the disclosure statement. Further, the comments by the interested parties on the present disclosure statement would be appropriately dealt with in the Final Findings.

xiv). The Authority kept available non-confidential version of the evidences/submissions presented by interested parties in the form of a public file maintained by the Authority and the same was kept open for inspection by the interested parties.

xv). **** In this notification represents information furnished by the interested parties on confidential basis and so considered by the Authority under the Rules.

xvi). In accordance with Rule 16 of the Rules supra, the essential facts/basis considered for these findings have been disclosed to known interested parties on 12.9.2008 and comments received on the same have been examined and considered in Final Findings.

xvii). The investigation of dumping covered the period from 1st April, 2006 to 31st March, 2007 (POI) , Also called the period of investigation or POI. The examination of trends in the context of injury analysis covered the period from April 2003-March 2004, April 2004-March 2005, April 2005-March 2006 and the POI, also called Injury period.

xviii). The Authority conducted on the spot investigation of the domestic industry. The cost of the production of the domestic industry was also analysed to work out the cost of the production and the cost to make and sell the subject goods in India on the

basis of Generally Accepted Accounting Principles, based on the information furnished by the domestic industry, so as to ascertain if anti dumping duty lower than dumping margin would be sufficient to remove injury to the domestic Industry.

xix). 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 and the period of investigation.

xx) After the preliminary findings, the Authority wrote to other Indian Producers to advise their production of various rubber chemicals. Replies were received from Merchem Ltd., which have been taken into account.

xxi) After the preliminary findings, the Authority wrote to the concerned Excise Authorities to have the inputs on the production and sale of other Indian Producers. Information was received from Central Excise Authorities Ernakulum Division and Thane in respect of Merchem and Lanxes.

xxii). Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigations, or has significantly impeded the investigation, the Authority shall record findings on the basis of the facts available.

B. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLES.

B.1 VIEWS OF THE DOMESTIC INDUSTRY

2. Following issues have been raised by the domestic industry with regard to product under consideration and like article:
 - i. MBT, having chemical description 2-Mercapto Benzothiazole, with other trade/brand name as Accelerator M, Accelerator MBT etc.
 - ii. CBS, having chemical description N-Cyclohexyl-2-Benzothiazole Sulphenamide with other trade name/brand names as Accelerator CZ. Accelerator HBS, CBS etc.
 - iii. TDQ, having chemical description Polymerized 2,2,4 – Trimethyl-1,2-dihydroquinoline with other trade/brand names as TMR or Antioxidant RD etc.
 - iv. PVI, having chemical description N-(Cyclohexylthio) Pthalimide with other trade/brand names as Anti Scorch agent CTP, PVI etc.
 - v. TMT having chemical description as Tetramethylthiuram Disulfide with other trade/brand names as Accelerator TMTD Thiuram C etc.
 - vi. Px-13 (6PPD) having chemical description N-(1,3-dimethyl butyl)-N'' Phenyl-P-1 with other trade/brand names as 6C, Pilflex 13, Sirantox 4020 Antioxidant 4020, Kumhonax 13 Vulcanox 4020 etc.
 - vii. The subject rubber chemicals as detailed above are used in treating natural rubber and synthetic rubber based compounds. The products do not have a dedicated classification even at eight-digit level. The products are imported under Chapter 29 and 38 of the Customs Tariff Act. Customs classification is indicative only and in no way binding on the scope of the present investigation. Since the products do not have a dedicated classification, information provided by the data compiling agencies (IBIS) has been relied

upon in the present findings. This information has been correlated with the information provided by responding foreign producers.

- viii. The user industry is broadly divided into two segments – tyre and non-tyres. In both the segments, it is used for processing of various types of natural and synthetic rubbers. These are stated to be not a principal input/raw material to any industry and are only processing chemicals.
- ix. There is no significant difference in subject goods produced by the domestic industry and exported from the subject countries. The two are like articles.

B.2 VIEWS OF THE IMPORTERS, CONSUMERS, EXPORTERS AND OTHER INTERESTED PARTIES

3. None of the importers, consumers, exporters and other interested parties has filed any comment or submissions with regard to product under consideration and like articles, except ATMA who argued that present investigations includes a number of different rubber chemicals, which are admittedly dislike articles. It has been argued that the Authority should have conducted separate investigation for each of the rubber chemical.

B.3 EXAMINATION BY THE AUTHORITY

4. The product under consideration in the present investigations is

- a) MBT, having chemical description 2-Mercapto Benzothiazole, with other trade/brand name as Accelerator M, Accelerator MBT etc.
- b) CBS, having chemical description N-Cyclohexyl-2-Benzothiazole Sulphenamide with other trade name/brand names as Accelerator CZ, Accelerator HBS, CBS etc.
- c) TDQ, having chemical description Polymerized 2,2,4 – Trimethyl-1,2-dihydroquinoline with other trade/brand names as TMR or Antioxidant RD etc.
- d) PVI, having chemical description N-(Cyclohexylthio) Pthalimide with other trade/brand names as Anti Scorch agent CTP, PVI etc.
- e) TMT having chemical description as Tetramethylthiuram Disulfide with other trade/brand names as Accelerator TMTD Thiuram C etc.
- f) Px-13 (6PPD) having chemical description N-(1,3-dimethyl butyl)-N” Phenyl-P-1 with other trade/brand names as 6C, Pilflex 13, Sirantox 4020 Antioxidant 4020, Kumhonax 13 Vulcanox 4020 etc.

5. On the issue of conducting separate investigation for each rubber chemical, the Authority holds that the anti dumping rules do not require conducting separate investigations as is being done in the present matter for a number of alleged dislike articles. Even though different rubber chemicals have been treated dislike article for the purpose of the present investigations, nevertheless, all of these fall under the broad category of rubber chemicals. In fact, even Standard Input Output Norms fixed are for “**rubber chemicals**” as a group and not separately for each of the rubber chemical. In any case, the Authority has done separate analysis for each of the rubber chemical in the present investigation to avoid any possible distortions.

6. Rule 2(d) of the Anti-dumping Rules specifies that like articles mean an article, which is identical and alike in all respects to the product under investigation or in the absence of such an article, another article having characteristics closely resembling those of the articles under examination. The petitioners claimed that the goods produced by them are like articles to the goods originating in or exported from China PR and Korea RP. No other interested

party has raised any objection to the claim of the Domestic Industry on this issue. In view of the same, the Authority proposes to hold that each of the rubber chemicals detailed above, produced by the domestic industry is a like article to each of the respect rubber chemical being imported from China PR and Korea RP within the meaning of the rules.

C. DOMESTIC INDUSTRY

C.1 views of the domestic industry

7. Following submissions have been made by the domestic industry with regard to standing of the domestic industry.

i. The petition was filed by M/s. National Organic Chemical Industries Limited, Mumbai. There are three other producers of the subject goods in India viz. M/s. Lanxess India Pvt. Ltd., Thane; PMC Rubber Chemicals India Pvt. Ltd., Hooghly; and Merchem Ltd., Ernakulam. Petitioner claimed that the intensity of dumping had been such that while some of Indian Producers have substantially exited from manufacture of rubber chemicals and in fact, turned traders, resorting to imports of rubber chemicals, others have started importing intermediates from China, even at penultimate stage, where the further processing involved is insignificant in terms of total production activities. Petitioner further claimed that whether production of other Indian Producers is included or excluded, production of the petitioner constitutes more than 50% of Indian Production for each of the subject chemicals. The petitioners, therefore, constitute domestic industry under Rule 2(b) of the Rules, 1995.

ii. Production of petitioners constitutes a major proportion in Indian Production and therefore petitioners have been treated as “domestic industry” within the meaning of the Rules.

C.2 views of the exporter, importers, consumers and other interested parties

8. One of the responding exporters M/s Sinorgchem Group of Companies has argued that NOCIL has deliberately not provided details of its estimates of production for other companies so that other producers who are opposing the petition may not be in a position to rebut the claims on production. It has further been pleaded that NOCIL has not provided sufficient details and has succeeded in misleading the Designated Authority in initiating the proceedings.

C.3. Examination By The Authority

9. The Authority has examined the submissions made by the interested parties. Authority notes that the copy of initiation notification was sent to all other named domestic producers to enable them to rebut the claims of the petitioner on all aspects of the case including their manufacturing capacity, production etc. Apart from Swarup Chemicals (P) Ltd. and PMC Group International, no other domestic producer named in the petition and to whom the notices were sent, has submitted its response. Whereas Swarup Chemicals (P) Ltd. claiming to have an annual capacity of *** MT for manufacture of MBT, CBS, TMT and TDQ have supported the petition of the Domestic Industry, PMC Group has stated in their submissions that they are major importers of the subject goods from subject countries.

10. After the preliminary findings, the domestic industry has revised its claim of production of other Indian Producers, stating that the subsequent compilation of information by them shows that they had overestimated the production of other Indian Producers. Petitioner provided details of its calculations in this regard.

11. The information related to the production and sales details were also called for from PMC Rubber Chemicals, another interested party as also their Central Excise Authority and none of the two provided any information related to production of the subject goods by PMC Rubber Chemicals. PMC has been writing to the Authority is pleading for waiver of ADD against them.

12. The Authority concludes that since the production information provided by the domestic industry was based on their estimates and further since Central Excise Authorities have provided actual information with regard to their production, in respect of Lanxess India Pvt. Ltd. and complete information has also been provided by Merchem Ltd., share of the NOCIL the Domestic Industry, in the total production of the domestic producers has been revised from the level reflected in the Preliminary Findings.

13. Having considered all the aspects and based upon the information on record subsequent to the issue of P.F. the table has been revised as follows. As per the revised table relating to share of DI in the Indian production, the production of petitioner company constituted a major proportion for each of the subject rubber chemicals, as is seen from the table below and there is no change in the standing of the Domestic Industry:-

SNO	Type of rubber chemical	NOCIL production	Production other Indian produces	Total Indian Production	Share of NOCIL in Indian Production
1	PX 13	***	***	***	73.26%
2	TDQ	***	***	***	78.63%
3	PVI	***	***	***	100.00%
4	TMT	***	***	***	53.32%
5	MBT	***	***	***	60.48%
6	CBS	***	***	***	74.96%

14. The Authority therefore concludes that the petition satisfies the condition of standing under the Rules and the petitioner constitutes “domestic industry” within the meaning of Rule 2(b) and Rule 5(3)(a) of Anti-Dumping Rules.

D. OTHER ISSUES

15. APJ-SLG Law Offices have made following submissions on behalf of the Tyre Manufacturers Association (ATMA).

- a. Since there are six different products involved, Authority should have initiated six different investigations so that dumping, injury and causal link analysis could be done in a meaningful way. They have stated that the Rules clearly lay down that domestic industry means the domestic producers engaged in the manufacture of like article and therefore the investigation should be restricted to only one article. It has been stated that for the purposes of standing petitioner has not considered the data of other domestic manufacturers.

- b. The domestic industry has changed import volumes and Indian production for CBS and TDQ after the preliminary findings, which is incorrect and self serving exercise to reach pre-determined desired results. The original supporting data has also not been filed to show which entries were taken and which ones were excluded to reach such revised figures. In the absence of any substantiation, such submissions ought to be rejected. Further, their estimation of production of other produces is confidential. Clearly, the domestic industry has resorted to adjusting figures to reach pre-desired objectives without any supporting evidence.
 - c. Determination of NIP is not linked to imports in the country as the same is Target Price (without any impact of dumped imports). It is settled position that when domestic industry is realizing more than the Target Price then no duties can be imposed.
 - d. Domestic industry has reiterated that names of processors and allied companies that undertake manufacturing activity on their behalf are business secret of the applicants. Such claims of confidentiality are unwarranted.
 - e. The claims of domestic industry with regard to non-injurious price, price undercutting and injury margin should not be allowed on the grounds that the same is not supported by any provision of law.
16. From amongst importers, J.K.Industries Ltd. had furnished a response in the form of importers questionnaire.
17. Shandong Shanxian Chemical Co. Ltd.- China PR and Shandong Yanggu Huatai Chemical Co. Ltd.- China PR have raised following issues:-
- (a) The initiation notification has set out a different period for consideration of injury from the POI and thus any injury found prior to the POI must necessarily be attributed to causes other than dumping, since dumping must be demonstrated for a particular period and cannot be assumed.
 - (b) The Hon'ble Authority has not applied its mind to the accuracy and adequacy of the evidence provided by applicant as required by the provisions of Rule 5(3) (b) of the said Rules.
 - (c) The normal value and related calculations have not been disclosed to and therefore it is difficult for these companies to address these issues any further.
 - (d) If NOCIL gets a relief in the form of antidumping duty, it would use it not only to raise prices, but also with imports shut out and restricted, it would lower the quality of its materials and products. Since users include tyre manufacturers, this could expose them to the liability of increase in accidents involving tyres made with the use of low quality rubber chemicals.
18. Sinorgchem Group of Companies from China PR have raised following issues
- a. The present application for initiation of the anti-dumping investigation was filed by NOCIL, which claims to be independently qualified as the domestic industry. There are three other producers of the subject material in India.

- b. The initiation is based on wrong facts and analysis. It has been submitted that initiation of the present anti-dumping investigation appears to be the rarest of the rare investigations in the history of DGAD where most of the parameters are showing improvement during the POI as compared to the base year.
- c. Conclusion of the Authority that the domestic industry has suffered material injury from the dumped imports from subject countries would be incorrect.
- d. The domestic industry has been able to increase its price even more than the increase in cost during the POI. The domestic industry has achieved increase in price more than double the increase in the landed value from China. This clearly demonstrates that the sales realization of the domestic industry is not affected by the export price in any manner and clearly confirms that no correlation between the net sales realization of NOCIL and the landed value of exports exists. It has therefore been claimed that there exists no causal link between imports and sales realization of the domestic industry.
- e. The Anti-Dumping duty should be in US \$ and not in INR.
- f. If the Authority decides that the exporters from China are not operating under MES, the Authority may adopt the normal value assessed for the Korea, as the normal value for China PR.

19. While supporting imposition of ADD, PMC has argued that its imports should not be subjected to ADD. The company has argued that it has employed 500 nos employees (direct and indirect), who would be out of employment if the company is also made to pay ADD.

Examination by the Authority

20. The Authority has considered these issues raised by various interested parties and concludes that:

- i. Authority has in the past been handling investigations, particularly in respect of rubber chemicals under one investigation and there is no deviation of this process followed by the Authority in the present case.
- ii. In respect of the entire lot of subject Rubber Chemicals under investigation, the NSR is lower than the NIP and price undercutting ranges from 7% to 28 %. Therefore this aspect already stands taken care of in the disclosure statement.
- iii. Injury has been established by way of analysing various mandatory injury parameters during entire injury period, commencing from 2003-04 to POI. The conclusions on injury are already given in the disclosure statement.
- iv. The subject responding exporter has been found to be operating under non-market economy conditions and therefore the question of disclosure of each parameter is not relevant as their domestic sales have not been considered, except for adoption of norms of consumption.

- v. The statement made by the responding exporter is inconsistent with the facts, because during POI while cost registered an increase, the selling price declined. This is already borne out by the details given in the disclosure statement.

F. Determination of Dumping Margin

F.1 Examination of market Economy claims of Producer / Exporter from China.

Views Of The Domestic Industry

21. China is a non-market economy country. No country has granted market economy country status to China after following elaborate evaluation parameters. China has been treated non-market economy by European Commission and United States in the past three years. European Union and United States are members of World Trade Organization. In India also, the Designated Authority has treated China as non-market economy. The Designated Authority has treated China as non-market economy in practically all the investigations initiated against China after the amendment dated 31st May, 2002.

22. Korea cannot be considered as an appropriate surrogate country for China.

Views Of The Exporter

23. Sinorgchem Group of Companies has submitted that the market economy status to the Sinorgchem Group of companies has been denied because it has been mentioned in the Article of Association that the concerned company will accept state and public supervision. It has been pleaded that State supervision does not amount to significant state interference. The Articles of Association mention is as matter of public policy that the company shall function under public and the state and there is no state intervention in the functioning of the company just as there is no intervention of the public in the functioning of the company. It has further been pleaded that Under Law, it is necessary that there is significant state interference which results in distortion in cost, price and distribution.

24. It has further been submitted that in the event the DGAD does not accept submissions of market economy status the most appropriate surrogate country can be Korea RP (which has been verified by the DGAD) and not EU or India.

Examination By The Authority

25. The Authority notes that China PR has been treated as a non-market economy country in the anti-dumping investigations by other WTO members in the past three years. In terms of Para 8(2) of the annexure-1 of Anti-dumping rules, China PR was proposed to be treated as a non-market economy country subject to rebuttal of the presumption by the exporting country or individual exporters in terms of the Rules.

26. As per Paragraph 8, Annexure 1 to the Anti-Dumping Rules, as amended, the presumption of a non-market economy can be rebutted, if the exporter(s) from China provide information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) in Paragraph 8 and prove to the contrary. The cooperating exporters/producers of the subject goods from People's Republic of China are required to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in response

to the Market Economy Treatment (MET) questionnaire to enable the Designated Authority to consider the following criteria as to whether:-

27. The decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment are made in response to market signals reflecting supply and demand without significant state interference in this regard, and whether costs of major inputs substantially reflect market values;
28. 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;
29. Such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms.
30. The exchange rate conversions are carried out at the market rate.
31. The Authority notes that three producers and exporters of the subject goods from China submitted their exporter's questionnaire responses and market economy questionnaire responses, consequent upon the initiation notice issued by the Authority and rebutted the non-market economy presumption. Additional information was called from these exporters, which were also provided. On the spot investigations were also conducted at their premises. The questionnaire responses and the Market Economy responses of the responding producers and exporter have been examined below by the Authority for determination of normal value of the responding producers/exporter of the subject goods from China.

M/s. Shandong Shanxian Chemical Co.Ltd.

32. M/s. Shandong Shanxian Chemical Co.Ltd has filed an exporter's questionnaire response and MET response in this matter as a producer and exporter of the subject goods. Additional information was also called for from the applicant on its claim of market economy status. The Authority notes that M/s. Shandong Shanxian Chemical Co.Ltd appeared to be a company under transformation as the factory was very much in existence during 1998-99 itself.
33. The producer was advised to submit the necessary details of transformation i.e. transfer of assets and liability of the former enterprise during 1998-99, process followed valuation of assets etc. The producer vide its letter dated Dec. 2007 submitted certain additional information.
34. During spot verification, examination of the status of the company and the process of its transformation from a State-owned enterprise to private ownership through the joint stock route and subsequently wholly foreign owned enterprise route indicates that the valuation of assets and liabilities and transfer of the assets to the newly formed entity has not been transparent and open to public. The transfer price of the assets has been extremely low, as a part of the assets have been adjusted towards the liabilities, which have not been fully paid. The capital of the company has grown many-fold from a very small investment of little more than ***Million RMB within a very short span. The land use fee paid to the country authorities is also very nominal. The verification of records by the Authority conclusively proved that the company is operating under a non-market economy regime. A detailed

verification report to this effect has already been supplied to the producer/exporter concerned as well as their legal representatives in India. The Authority therefore concludes that the responding exporter is operating under non-market economy conditions.

M/s Shandong Yanggu Huatai Chemical Co.Ltd.

35. M/s. Shandong Yanggu Huatai Chemical Co.Ltd. has filed an exporter's questionnaire and MET response as a producer- Exporter of the PVI. Additional information was also called from the applicant on MET questionnaire and exporters response vide letter dated 10th Dec. 2007. The producer – Exporter submitted certain information vide letter dated Dec. 2007.

36. As per MET questionnaire response, the company informed that it was established on 23.3.2000 as 'limited liability' company whereas as per exporter's response, it was noted that company was established on Dec.22, 1998. It was also noted that technology contract was entered into on 30.6.1997 between Shandong Yanggu Huatai Chemical Factory and Chemical Research Institute of Shandong Province. In response to the deficiency letter, the producer/exporter has informed that Yanggu Huatai Organic Chemical factory was established in 1994 and registered as state owned factory.

37. During spot verification by the investigating team it came to the fore that Examination of the status of the company and process of its transformation from a state owned enterprise to private ownership through limited liability route indicates that the valuation of assets and liabilities and transfer of assets to the newly formed, entity has not been transparent and open to public. The transfer price of the assets has been extremely low, as a part of the assets have been adjusted towards the liabilities which have not been paid or rescheduled. Fresh loan were obtained by the new entity but subsequent repayment of loans and status of liabilities could not be explained. The capital of the company has grown manifold from a very small investment of *** million RMB within a very short span. Therefore, a huge amount of liability appears to have been written off either by the government or the banks. Land use fee paid by the company also appear to be low. The verification of records by the Authority conclusively proved that the company is operating under a non-market economy regime. A detailed verification report to this effect has already been supplied to the producer/exporter concerned as well as their legal representatives in India. The Authority therefore concludes that the responding exporter is operating under non-market economy conditions.

Sinorgchem (Group) Co. Shanghai, Sinorgchem Co.,Shandong and Sinorgchem Co., Tai an

38. Each of the above interested parties have filed an exporters' response and MET response as a producer and/or exporter of the subject goods. Since these companies are related to each other, they have sought 'Group Treatment'. Additional information was also called for on their respective claim of market economy status. Authority notes that Shandong Sinorgchem Co.Ltd., emerged in August 1998 during the property right reform of state-owned enterprises. As per business licence, the company was in operation since 14th May, 1999. The Company was set up by means of promotion and was established by Heze Import & Export Co.; Shandong, Shandong Caoxian Sinorgchem Chemical Factory, Cookian Kemic Co; Shandong, Caoxian. He Rubber Additive Agent Co; Shandong and Caoxian He Chang Rubber Additive Agent Co; Shandong. From the information available on record, it is noted that both Shandong Heze Area import and Export Company and Shandong Cao country

Sinorgchem Five Chemical Plant were state owned enterprises having majority shares with these state owned enterprises. After establishment, the shares of the company have been transferred several times. In Oct 2005, Sinorgchem headquarter was established in Shanghai. In Feb.,2006 Sinorgchem Group was established in Shanghai. On June 8, 2006 the first stage of *** ton 4-ADPA was put into operation and production capacity reached *** tons per annum. Authority notes that prior to capacity expansion on June 8, 2006 the capacity of *** tons 4-ADPA per annum existed. Further, as per article of association of both of Sinorgchem Group Co. as well as Sinorgchem Co. Shanghai, it is noted that both these companies shall accept the supervision of Government and the public. During spot verification by the investigating team it came to the fore that Examination of the status of the company and the process of its transformation from a State-owned enterprise to private ownership reveals that the state owned assets of over *** Million RMB were transferred for a nominal price of *** Million RMB. The verification of records conclusively proved that the company is operating under a non-market economy regime. A detailed verification report to this effect has already been supplied to the producer/exporter concerned as well as their legal representatives in India. The Authority therefore concludes that the responding exporter is operating under non-market economy conditions.

F.2 Determination of Normal Value

39. As recorded above all the three companies as above have been found to be operating under non-market economy conditions and therefore the Authority has determined the normal value for all the above Chinese responding exporters in accordance with para7 of Annexure I of Antidumping Rules.

40. In this connection Para 7 of Annexure I of the Rule provides that

“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 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.”

41. The Authority had indicated in the initiation notification that the petitioner has claimed China as a non-market economy. The petitioner claimed determination of normal value on the basis of constructed cost of production and also based upon price in Europe. Petitioner has claimed that normal value can not be determined on the basis of price or costs in third countries for the reason that subject goods are not produced in several countries and no information is publicly available in this regard. Therefore, the domestic industry submitted that India should be treated as an appropriate surrogate country for China in this matter and the normal value should be determined accordingly.

42. The Authority has determined the normal value in China on other reasonable basis, in terms of second proviso of Para 7 of Annexure 1 to the Rules. Accordingly, the ex-works Normal value of the product under consideration for all exporters from China has been constructed based on facts available. The Normal Value has been constructed by the Authority taking into account international price of all the major inputs to the extent international prices of such raw materials are available and Consumption norms of the cooperating exporters, conversion cost, and SGA expenses of the domestic industry have been adopted for determination of the normal value. After adding a reasonable profit margin of 5% constructed normal value has been worked out as under:

S. No.	Product Under Consideration	CNV US\$/K.G
1.	PX-13 (6 PPD)	***
2.	TDQ	***
3.	PVI	***
4.	TMT	***
5	MBT	***
6.	CBS	***

F.3 Export Price

Shandong Shanxian Chemicals Co.Ltd.

43. Shandong Shanxian has reported export of certain Rubber Chemicals i.e. MBT, CBS, PVI and TMT to India during the POI. The goods have been sold to direct customers in India. The sales to Indian customers are in CIF term. The exporter has claimed adjustments towards, inland freight, air freight and insurance to India and credit expenses to arrive at ex-factory export price. However, it is noticed that no adjustment towards the VAT paid and refund obtained has been made though the exporter is required to pay VAT @ 17% of the invoice value and is entitled for a refund a part of the VAT paid on export.

44. During the course of spot verification following came to notice of the Authority:

i. In the case of rubber chemical **CBS** that although the element of adjustments on Inland freight, Overseas Insurance and credit cost were found to be correctly accounted for, some variation came to notice in respect of the adjustments claimed on account of Overseas Freight. It also came to notice during verification that they had incurred other overhead expenses in the form of packing, collection charges, postal charges and overseas banking expenses. That apart, VAT refund of 4% had not been taken into account in their response which was also required to be adjusted for arriving at the net export price at ex-factory level. They admitted that they had missed out on these adjustments and provided a revised Appendix 2. The net export price, after taking into account all the requisite adjustments as above, has been worked out by the Authority as **US\$ *** per MT** as against **US\$ ***** claimed in the original exporter response.

ii. In case of **PVI** some variation came to notice in respect of the adjustments claimed on account of Overseas Freight. It also came to notice during verification that they had incurred other overhead expenses in the form of packing, collection charges, postal charges and overseas banking expenses. That apart, VAT refund of 4% had not been taken into account in their response which was also required to be adjusted for arriving at the net export price at ex-factory level. They admitted that they had missed out on these adjustments and provided a revised Appendix 2. The net export price,

after taking into account all the requisite adjustments as above, has been worked out by the Authority as **US\$ *** per MT** as against **US\$ ***** claimed in the original exporter response.

- iii. In case of **TMTD /TMT**, although the element of adjustments on Inland freight, Overseas Insurance and credit cost were found to be correctly accounted for, some variation came to notice in respect of the adjustments claimed on account of Overseas Freight. It also came to notice during verification that they had incurred other overhead expenses in the form of packing, collection charges, postal charges and overseas banking expenses. That apart, VAT refund of 4% had not been taken into account in their response which was also required to be adjusted for arriving at the net export price at ex-factory level. They admitted that they had missed out on these adjustments and provided a revised Appendix 2. The net export price, after taking into account all the requisite adjustments as above, has been worked out by the Authority as **US\$ *** per MT** as against **US\$ ***** claimed in the original exporter response.
- iv. In respect of Rubber Chemical **MBT** although the element of adjustments on Inland freight, Overseas Insurance and credit cost were found to be correctly accounted for, some variation came to notice in respect of the adjustments claimed on account of Overseas Freight. It also came to notice during verification that they had incurred other overhead expenses in the form of packing, collection charges, postal charges and overseas banking expenses. That apart, VAT refund of 4% had not been taken into account in their response which was also required to be adjusted for arriving at the net export price at ex-factory level. They admitted that they had missed out on these adjustments and provided a revised Appendix 2. The net export price, after taking into account all the requisite adjustments as above, has been worked out by the Authority as **US\$ *** per MT** as against **US\$ ***** claimed in the original exporter response.
- v. Detailed working and the exact export price verified has already been communicated by the Authority in the verification report to the exporter concerned.

M/s. Shandong Yanggu Huatai Chemical Co. Ltd

45. As per appendix 2 of the questionnaire response they had claimed to have exported a total quantity of *** MT of **PVI** to India at a total CIF realization of **US\$ *****. A total of *** transactions were involved. Original documents related to these transactions were verified during spot verification by the investigating team. In the original exporter response they had claimed adjustments on account of Inland freight, Overseas Freight, Overseas Insurance and credit cost alone. During verification by the Authority it came to notice that although the element of adjustments on this score were found to be correct, it came to notice during verification that they had incurred other overhead expenses in the form of packing, local insurance, collection charges, postal charges and overseas banking expenses. That apart, VAT refund of 4% had not been taken into account in their response which was also required to be adjusted for arriving at the net export price at ex-factory level. The net export price, after taking into account all the requisite adjustments as above, has been worked out by the Authority as **US\$ *** per MT** as against **US\$ ***** claimed in the original exporter response. The detailed calculations have already been supplied to the exporter concerned by the Authority in the verification report.

M/s. Sinorgchem Co. Shandong

46. They have been exporting **PX13 (6PPD)**. Verification of the records of the subject exporter by the Authority revealed that there was a significant difference between export and domestic sales so far as adjustments on account of packing expenses were claimed. It was explained by the exporter that exports to India was first packed in bags and then put into pallets whereas the domestic sales are carried out in bags only. Therefore, the cost of packing in respect of exports to India is almost 4 times the cost of packing in domestic market sales. The adjustment claimed in respect of direct selling expenses, VAT refund, Commission paid, bank charges, credit cost, were allowed after due verification on actual basis. Further during perusal of records it came to notice that Vat refund rate @ 13% was in operation from April 2006 to September 2006 and @ 17% from October 2006 to march 2007. Taking all these factors into consideration, the net export price, after taking into account all the requisite adjustments as above, has been worked out by the Authority as **US\$ *** per MT** as against **US\$ ***** reflected in the exporter questionnaire submitted in response to the initiation. The details to this effect have already been communicated by the Authority to the exporter in the verification report.

M/S Sinorgchem Co., Tai'an China and Sinorgchem Co. Shanghai, China

47. Both the above did not make any exports of subject goods to India during POI.

Export Price for Non-cooperating exporters from China

48. In respect of non-cooperating exporters from China, the lowest export price based upon the verified data in respect of cooperating exporters for products MBT, TMT, PX13 (6PPD), CBS and PVI has been considered. As regards TDQ, there being no response, the average export price from IBIS and DGCI&S data only Ludhiana port has been considered for calculation of net export price. Adjustments like Ocean freight etc. has been allowed at par with the ones allowed in respect of Co-operating exporters from China as above, for arriving at export price at ex-factory level. By adopting this method the export price at ex-factory level in respect of non-co-operating exporters from China has been worked out by the Authority as per table below:

S.No.	Product Description	Net-Export Price US\$ /MT
1.	MBT	***
2.	TDQ	***
3.	TMT	***
4.	PX13(6PPD)	***
5.	CBS	***
6.	PVI	***

F.4. Normal Value and Export Price in respect of Kumho Petrochemicals Co, Ltd., Korea RP

Normal Value

VIEWES OF THE DOMESTIC INDUSTRY

49. The domestic industry has claimed that:

- i. The normal value in Korea is quite high. Domestic industry has produced evidence showing that the subject goods produced by Kumho Petrochemicals Co,

Ltd have been sold in Korean domestic market at a price ranging between Won 4.96 Won 6.80 Per MT. Domestic industry has further claimed that normal value in Korea should be determined as the weighted average price considering import volume from various sources and sales made by the domestic industry. Based on information released by KITA on its website, the domestic industry claimed that 4240 MT 6PPD has been imported into Korea at a CIF price of US \$ 4.06 per kg. Considering 6.5% customs duty, the price to a Korean customer comes to US \$ 4.365/Kg. According to the domestic industry, the Korean domestic demand is about 7000-8000 MT and the imports thus constitute significant proportion (more than 50% of domestic demand). The domestic industry supplemented its claim of this price based on import price from India reported by KITA and sales invoices of domestic industry in respect of its exports to Korea. Domestic industry has argued that the domestic selling price for Korean producer cannot be different from the landed cost of the imported material which constitutes more than 50% of the demand. Even if there is variation in prices, same has to be within reasonable limits and the variation cannot be to the extent as is reflected in the data with the Authority provided by the Domestic Industry and the one claimed by the responding exporter from Korea RP. Domestic industry has concluded that it was inconceivable that a Korean producer would have sold the material at lower prices in the domestic market.

- ii. It has also been argued that the normal value under the Rules means the comparable price for the like article when meant for consumption. The words “like articles”, “comparable price”, “meant for consumption” clearly implied that such prices were not limited to the prices at which goods are sold by the producer concerned. Relying upon the judgment of the Hon’ble Supreme Court in the matter of Reliance Industries Ltd., and the practice adopted by the Designated Authority thereafter, the domestic industry has argued that in any case it was justified to consider weighted average of the prices for the goods sold in the domestic market, considering the volumes imported for sale and volumes sold by Kumho Petrochemicals Co, Ltd
- iii. They have further argued that cost of production determined should reasonably reflect the costs associated with production and sale of the product under consideration and dumping margin in respect of exports made by KKPC is not below US \$ 1.036 or 24%.

Views of the exporter

50. Kumho Petrochemicals Co, Ltd. has submitted that:

- i. The determination of normal value for KPC was inconsistent with the relevant legal provisions.
- ii. In this case, normal value has been determined on the basis of weighted average of (a) sales volume of KPC in the domestic market in the Korea and (b) import volumes into Korea RP. Such a method of determining normal value is unheard of. Till now, the designated authority has never determined normal value by combining the domestic sales of an exporter in the exporting country with the imports into the exporting country. The methodology is illegal and unwarranted for the various reason enumerated below.

- iii. Scope of an AD investigation covers products 'Originating in or exported from a given country/countries. In this case, investigation was against 6 PPD originating in or exported from Korea. The imports made into Korea represent goods that were neither originating in nor exported from Korea. Accordingly, products imported into South Korea from other countries are outside the scope of the antidumping investigation and the prices of such imported goods shall not be considered for the determination of normal value of the goods covered in this investigation.
- iv. KPC is not aware of the evidence presented by the domestic industry regarding the prices at which goods produced by KPC are sold in the Korean domestic market. KPC sells the product in the Korean market directly to its customers. KPC has presented complete details of all its transaction and the same have been verified also. The verified data gives the authentic information about the prices at which the goods manufactured by KPC were sold in the Korean market during POI. KPC requests the authority to adopt the verified data. Any evidence to the contrary would be dubious and shall not be relied upon. If the authority is desirous of considering any other evidence regarding KPC's selling prices, the said evidence may be presented to KPC for their comments so that KPC gets a fair opportunity to defend its interests properly. Further, to the best of the knowledge and belief, KPC is not aware of any of its customers reselling the product in the Korean market. It may be possible that some of the customers might have disposed off their excess or unused stock in the domestic market. Otherwise, in the normal course, none of their customers are reselling the product in the domestic market in Korea. In any case, KPC has no related entity in Korea that is involved in the domestic sales of the product. Even if some of the customers have resold the product in the Korean market, since those customers are unrelated parties, ex-factory domestic selling price would be equal to the sales realization by KPC and it shall not be affected by the resale price of the unrelated reseller. Thus, the domestic industry's claim appears to be dubious on the one hand and irrelevant on the other.

Examination by the Authority

51. Regarding the issue raised by the domestic industry about determination of normal value based upon import prices into Korea RP, the same was considered in PF by the Authority and only weighted average of imports price into Korea and selling price of Korea Kumho in domestic market in Korea was considered for determination of normal value at PF stage. The situation has now changed as the Korean domestic prices have been found not to pass OCT test and Constructed Normal Value has now been considered by the Authority for determination of dumping margin as per details enumerated here after.

52. The responding producer/exporter has reported to the Authority that it has exported *** MT of 6-PPD/PX-13 to India at an average Ex-factory export price of US \$ ***/Kg. with regard to normal value, the producer has requested that on the sale of *** MT of 6PPD, the unit realization was US \$ ***/Kg. Accordingly, the producer-exporter claimed that it has not dumped 6 PPD into India.

53. Contrary to above, the domestic industry has claimed that the normal value in Korea is quite high. Domestic industry has produced evidence showing that the subject goods produced by Kumho Petrochemicals Co, Ltd have been sold in Korean domestic market at a

price ranging between Won 4700 to Won 6800 Per MT. Domestic industry has further claimed that normal value in Korea should be determined as the weighted average price considering import volume from various sources and sales made by the domestic industry. Based on information released by KITA on its website, the domestic industry claimed that 4239.10 MT 6PPD has been imported into Korea at a CIF price of US \$ 4.06 per kg. Considering 6.5% customs duty, the price to a Korean customer comes to US \$ 4.32/Kg. According to the domestic industry, the Korean domestic demand is about 7000-8000 and the imports thus constitute significant proportion (more than 50% of domestic demand). The domestic industry supplemented its claim of this price based on import price from India reported by KITA and sales invoices of domestic industry in respect of its exports to Korea. Domestic industry has argued that the domestic selling price for Korean producer cannot be different from the landed cost of the imported material which constitutes more than 50% of the demand. Even if there is variation in prices, same has to be within reasonable limits and the variation cannot be to the extent as is reflected in the data with the Authority provided by the Domestic Industry and the one claimed by the responding exporter from Korea RP. Domestic industry has concluded that it was inconceivable that a Korean producer would have sold the material at lower prices in the domestic market.

54. The domestic industry has also argued that the normal value under the Rules means the comparable price for the like article when meant for consumption. The words “like articles”, “comparable price”, “meant for consumption” clearly implied that such prices were not limited to the prices at which goods are sold by the producer concerned. Relying upon the judgment of the Hon’ble Supreme Court in the matter of Reliance Industries Ltd., and the practice adopted by the Designated Authority thereafter, the domestic industry has argued that in any case it was justified to consider weighted average of the prices for the goods sold in the domestic market, considering the volumes imported for sale and volumes sold by Kumho Petrochemicals.

55. During the course of verification by the Authority, the producer/exporter was asked to furnish the reasons for his significantly lower domestic selling price for PX 13 as compared to imported price when material from both the sources is sold and consumed in the Korean market. The Authority also notes that Kumho Petrochemicals does not have facility for producing intermediate raw material that is 4 ADPA required for producing 6 PPD. During POI the whole requirement of 4 ADPA was sourced from M/S Sinorgchem, China PR. Though Kumho Petrochemicals admitted that imports in to Korea RP were taking place at a much higher price as reported in KITA, they chose not to respond to the clarification sought on the reasons for the same. They simply pleaded that it was a business decision of their competitors to import at a higher price and not source the subject goods from them. However, this statement of Kumho Petrochemicals has been found to be incorrect because during POI itself it has actually sold PX 13 to Hankook Tyres. It was not clarified to the Authority by the said responding exporter as to why Hankook will import the material at about US \$ 4.30 per kg when the same article is available from Kumho Petrochemicals at about US \$ *** per kg.

56. The authority notes that in term of Section 9A sub-section 1(C) of the Custom Tariff Act, “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

57. Further in terms of paragraph 1 of Annexure 1 referred in rule 10 of anti-dumping rules as amended, the elements of costs referred to in the context of determination of normal

value shall normally be determined on the basis of records kept by the exporter or producer under investigation provided such records are in accordance with the generally accepted accounting principles of the exporting country and such records reasonably reflect the cost associated with production and sale of the article under consideration.

58. Section 9A (1) (c) (i) and Para 1 of Annexure 1 referred in rule 10 of anti-dumping rules require that in order to ascertain the comparable price in ordinary course of trade for the like article when meant for consumption in the exporting country, the domestic sales reflected in the records for the relevant period at the price shown therein will normally be accepted when the records reasonably reflected the cost associated with the production and sale of such article. Authority concludes that during the course of verification it came to notice that 4 ADPA, the primary raw material required for manufacture of 6 PPD was sourced by Korea Kumho from Sinorgchem, a Chinese producer at a price of approximately US\$ *** per K.G., lower than the price of US \$ *** per K.G., at which they had been supplying the same to India. Further the import price of this very raw material when sourced from a market economy country into India was found to be US \$ 3.09 per K.G. Incidentally Sinorgchem happens to be a participating exporter from China PR in the present investigation and verification of the said exporter by the Authority revealed that they are operating under non-market economy conditions.

59. Therefore, the Authority concludes that in a situation where major input i.e. 4 ADPA used in production of 6 PPD was solely sourced from a non-market Economy Company, the use of actual purchase price of Kumho Petrochemicals for 4 ADPA, would not reasonably reflect the cost associated with production of 6 PPD.

60. In view of above, the authority has adjusted the cost of production and sale by the difference between the international price of 4 ADPA from a market economy country and actual purchase price of Kumho Petrochemicals. Accordingly the revised cost of sales for PX 13(6PPD) works out to US \$ *** per kg. At this adjusted cost of sale the domestic sales made by Kumho Petrochemicals during POI fail to pass the ordinary course of trade test. Accordingly the domestic sales do not permit a proper comparison. The Authority, therefore, has constructed the normal value for Kumho Petrochemicals in terms of Section 9A (1) (c) (ii)

61. Taking note of these factors, the Authority has calculated the normal value in the instant case by taking into account the cost of production of the subject goods in Korea RP based upon the 4ADPA's international price from a market economy country, and allowing other costs as claimed and verified. On the cost of sales so arrived at, the average profit margin has been considered. Normal value for PX-13 (6PPD) has been determined accordingly and worked out as **US \$ *** per K.G** by the Authority.

Export Price

62. Spot verification done by the Authority revealed that the adjustments claimed on account of Inland freight, Ocean freight (inclusive of terminal handling charges, Bill of Lading Fee, handling charge, wharf age), Ocean insurance, Customs broker fee, Bank charges, Commission and a negative deduction towards duty drawback received on export sales were in order and corroborated by related records. The responding producer having reported ex-factory export price as US \$ ***/Kg in the exporter response was found to be in order by the Authority.

Export Price for Non-Cooperating Exporters from Korea

63. In respect of non-cooperating exporters from Korea, the lowest import price based upon verified data of the cooperating exporter has been taken into account. Adjustments like Ocean freight etc. has been allowed at par with the ones allowed in respect of Co-operating exporters from Korea as above, for arriving at export price at ex-factory level. By adopting this method the export price at ex-factory level in respect of non-co-operating exporters from Korea for PX13 (6PPD) worked out by the Authority is **US\$ *** per MT or US\$ *** per K.G.**

F.5. Dumping Margin For Kumho Petrochemicals Co, Ltd Korea RP

64. The Dumping Margin based upon the above calculations of Normal Value and Export price has been worked out by the Authority in the range of to 4-9% as per table below.

	US\$/Kg.
Normal Value	***
Export Price	***
Dumping Margin	***
DM %	4-9%

F.6. Dumping Margins for Non-Co-operating exporters From RP

65. The dumping margin for Non-Cooperating exporters from Korea PR based upon the normal value and export price as worked out by the Authority is in the range of 6-11% as per table below:

Normal Value US\$/Kg.	Export Price US\$/Kg.	Dumping Margin US\$/Kg.	DM %
***	***	***	6-11%

F.7. Dumping Margins For Producers Exporters From China PR

66. For the purpose of determination of dumping margin the ex-works normal value and export prices, so determined, have been compared at the same level of trade and dumping margin has been determined for the exporters from the subject country as follows:-

Co-operating exporters

Product	Producer	Exporter	Normal Value	Export Price	Dumping Margin	DM %
			USD/Kg	USD/Kg	USD/Kg	
PVI	Shandong Sanxian Chemical Co. Ltd.	Shandong Sanxian Chemical Co. Ltd.	***	***	***	5-10
	Shandong Yongqui Huantai Chemicals	Shandong Yongqui Huantai Chemicals	***	***	***	10-15

	Ltd	Ltd				
TMT	Shandong Sanxian Chemical Co. Ltd.	Shandong Sanxian Chemical Co. Ltd.	***	***	***	75-80
CBS	Shandong Sanxian Chemical Co. Ltd.	Shandong Sanxian Chemical Co. Ltd.	***	***	***	42-47
MBT	Shandong Sanxian Chemical Co. Ltd.	Shandong Sanxian Chemical Co. Ltd.	***	***	***	42-47
PX-13 (6PPD)	Sinorgchem Company Shandong	Sinorgchem Company Shandong	***	***	***	30-35

Non-Co-operating Exporters

S.No.	Product Description	Normal Value US\$ /K.G	Export Price US\$ /K.G	Dumping Margin US\$ /K.G	DM %
1.	PVI	***	***	***	15-20
2.	TMT	***	***	***	92-97
3.	CBS	***	***	***	47-52
4.	MBT	***	***	***	47-52
5.	PX13(6PPD)	***	***	***	50-55
6.	TDQ	***	***	***	20-25

67. The dumping margins so determined are significant and above de minimis level.

G. Injury Determination

G.1 Examination of Injury and Causal Link:

68. Rule 11 of Anti-Dumping Rules read with Annexure-II provides that an injury determination shall involve examination of factors that may cause 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”. While 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 to the price of the like article in India, or whether the effect of such import is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

69. The Authority notes that the application for imposition of anti-dumping duty was filed by M/s. NOCIL. In terms of Rule 2(b) of the Rules, NOCIL has been treated as the domestic industry for the purpose of this investigation. The Authority concludes that there are three other known producers of the subject goods in India i.e. M/s. Lanxess India Pvt. Ltd., PMC Rubber Chemicals India Pvt. Ltd. and M/s. Merchem Ltd.

70. Subsequent to the issue of the preliminary findings, the Authority wrote to other Indian Producers to advise their production of various rubber chemicals. Replies were received from Merchem Ltd., which have been taken into account. Authority also wrote to the concerned Excise Authorities of these manufacturers to have the inputs on the production of other Indian Producers. Information was received from Central Excise Authorities Ernakulum Division and Thane for Merchem and Lanxes.

71. As far as data relating cost of production, cost to make and sell, selling price along with net sales realization etc., for individual rubber chemicals under investigation separately, Authority sought this information from all other domestic producers. However none of the other domestic producers, apart from NOCIL provided any substantial inputs on this issue which could be used for injury analysis. In view of the foregoing, the Authority holds that none of the other interested parties have provided injury information and that NOCIL constitutes domestic industry under the Rules.

72. 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. are required to be considered in accordance with Annexure II of Rules. All economic parameters affecting the Domestic Industry as indicated above such as production, capacity utilization sales volume etc. are also required to be examined.

G.2. Views of the Domestic Industry:

73. The domestic industry has claimed to have suffered material injury. In their submissions made after the conclusion of the oral hearing with regard to individual rubber chemical they have claimed that:

(a) **PX-13** – Imports of PX13 increased significantly in absolute terms. Imports increased significantly in relation to total imports into India, production and consumption in India. With regard to price effect, it is found that imports were significantly undercutting the prices of the domestic industry in the market and selling price of the domestic industry declined significantly over the injury period. As regards consequent impact of dumped imports on the domestic industry, it is noted that the product was earlier facing dumping from Europe and Taiwan and interim anti dumping duties were imposed on 7th July, 2005. Performance of the domestic industry first improved and thereafter deteriorated in terms of production, capacity utilization, selling price, profits, cash profit and return on investments. Domestic sales & market share declined and inventories increased throughout the injury period. Imports were first depressing and thereafter suppressing domestic prices. Further, performance of the domestic industry deteriorated on quarter-to-quarter basis in terms of selling price and profits.

(b) **PVI** – Imports of PVI increased significantly in absolute terms. Imports increased significantly in relation to production and consumption in India. With regard to price effect, it is found that imports were significantly undercutting the prices of the domestic industry in the market and selling price of the domestic industry declined significantly over the injury period. As regards consequent impact of dumped imports on the domestic industry, it is noted that performance of the domestic industry deteriorated in terms of production, capacity utilization, market share, inventories, selling price, profits, cash profit and return on investments. Even

though domestic sales increased up to 2005-06, the same declined in investigation period even when demand increased and the domestic industry had enhanced capacity in 2004-05. Imports were depressing the domestic prices throughout the period.

(c) **TDQ** – Imports of TDQ increased significantly in absolute terms. Imports increased significantly in relation to imports in India and & production consumption in India. With regard to price effect, imports were significantly undercutting the prices of the domestic industry in the market. Resultantly, selling price of the domestic industry, which increased up to 2005-06 with initiation of investigations and thereafter imposition of anti dumping duties against other sources, declined significantly in investigation period and such decline continued on quarter-to-quarter basis within the investigation period? Resultantly, profits, cash profits and return on investment continued to decline throughout the investigation period on quarter by quarter basis. As regards consequent impact of dumped imports on the domestic industry, it is noted that the product was earlier facing dumping from EU and Taiwan, wherein investigations were initiated and anti dumping duties were imposed on 7th July, 2005. Performance of the domestic industry improved in terms of production, capacity utilization, domestic sales, selling prices, profit/loss, cash profits, return on investments between 2003-04 and 2005-06 as a result of imposition of anti dumping duties on EU and Taiwan. However, the performance in respect of all these factors deteriorated once again in the investigation period with dumping from China. Inventories with the domestic industry increased throughout the period. The domestic industry added capacities in line with increase in demand. However, capacity utilization declined significantly in the investigation period after improving up to 2005-06. Further, performance of the domestic industry deteriorated on quarter-to-quarter basis in terms of selling price, profits, return on investment.

(d) **TMT** – Imports of TMT increased significantly in absolute terms and in relation to production/ consumption in India. With regard to price effect, imports were significantly undercutting the price of the domestic industry in the market. As a result, selling price of the domestic industry increased up to 2005-06, but declined in investigation period. Further, whereas cost of production increased, selling prices declined. As regards consequent impact of dumped imports on the domestic industry, performance of the domestic industry improved in terms of production, capacity utilization, sales volumes, profits, return on investments and cash profits upto 2005-06, whereas inventories increased and market share declined. The domestic industry reduced prices significantly in the investigation period and consequently, profits, return on investments and cash profits declined. Such decline continued in quarter by quarter performance during the investigation period as well.

(e) **CBS** – Imports of CBS increased significantly in absolute terms and in relation to production/consumption in India. With regard to price effect, imports were significantly undercutting the price of the domestic industry in the market, selling price of the domestic industry increased between 2003-04 and 2005-06 and declined significantly during the investigation period. As regards consequent impact of dumped imports on the domestic industry, it is noted that the performance of the domestic industry deteriorated in terms of capacity utilization and inventories throughout the injury period. Performance of the domestic industry first improved and thereafter deteriorated in terms of selling price, profits return on investment, cash profits.

(f) **MBT** – Imports of MBT increased significantly in absolute terms and in relation to production/consumption in India. With regard to price effect, imports were significantly undercutting the price of the domestic industry in the market. Selling price of the domestic industry increased up to 2005-06 and declined significantly during the investigation period, whereas cost of production increased throughout the injury period. The imports were thus suppressing as also depressing the prices of the domestic industry in the market. As regards consequent impact of dumped imports on the domestic industry, sales of the domestic industry improved up to 2004-05 and declined thereafter. Production and capacity utilization increased significantly in 2005-06, declined in 2005-06 and thereafter increased again in investigation period, even though the levels were lower than 2003-04 and 2004-05. Whereas cost of production increased throughout the injury period, the selling price increased up to 2005-06 and declined in investigation period. Resultantly, profits, cash profits and return on investments improved upto 2005-06 and declined in investigation period.

74. With regard to other related issues on injury, following submissions have been made.
- i. **Inventories** – The inventory levels has very significantly increased over the injury period.
 - ii. **Working capital** –Dumping has led to increase in working capital.
 - iii. **Contribution margin** – The contribution margins improved up to 2005-06. The same however, has declined thereafter sharply in the period of investigation.
 - iv. **Debtors** – The average collection period increased significantly over the injury period.
 - v. **Employment and wages** –Number of employment and wages paid have declined over the injury period.
 - vi. **Ability to raise capital investment** – The Company has made fresh investments considering that the demand for rubber chemicals is increasing significantly.
 - vii. **Growth** – Growth of the domestic industry was positive in respect of each of the subject rubber chemicals up to 2005-06. However, growth became negative in respect of each of the subject rubber chemicals during the period of investigation. Negative growth can be seen in respect of most of the parameters. Further, growth became increasingly negative on quarter-by-quarter basis.
 - viii. Domestic industry has suffered material injury during period of investigation. The deterioration is more pronounced in case the parameters such as production, capacity utilization, sales volumes, profit/loss, cash flow, and return on investments are seen on quarter-by-quarter basis.

G.3 Views of the Exporters

75. **Sinorgchem Group Of Companies** has submitted that the petitioner has submitted misleading and incomplete information on the issues of Injury to the Domestic Industry. It

has been claimed that out of 12 injury parameters analysed, only 4 indicate injury where as all other parameters including profitability are showing an increasing trend. It has further been submitted that NOCIL has deliberately made a comparison of those parameters where no injury could be found with the just preceding year and not the base year. They have sought that Authority should make the injury analysis by comparing the performance during POI with the base year. It has been pleaded that claim of the petitioner that they had to reduce the prices commensurate to reduction in landed price is incorrect and misleading and on the contrary NOCIL could raise prices during the injury period more than increase in cost and has been able to increase its profits during the period of investigation compared to base injury period. They have pleaded that the claim of Domestic Industry that the prices have not increased commensurate to the cost of production is misleading as the NSR has increased by 54% compared to Cost of Production by only 24%. It has also been pointed out that the claim of NOCIL that PBIT has become negative during POI compared to base year is misleading as this is a misplaced notion in such a situation where increase in sales price is more than the increase in cost of production. It has been concluded in its submissions that NOCIL has been able to mislead the Authority on the basis of incorrect analysis. The company has submitted that the profitability of the domestic industry has improved as compared to the base year 2003-04. It has been concluded by the designated authority that the increase in price during 2005-06 was due to imposition of anti-dumping duty by DGAD on imports of subject material from certain other countries. In this regard, it is to be noted that the argument of the domestic industry and conclusion of the designated authority that their performance in terms of profits, cash flow and return on investments improved until 2005-06 due to imposition of anti-dumping duty on other countries but deteriorated during the POI, is not based on facts. The domestic industry has not provided complete reasons for improvement in its performance during the year 2005-06. The exporter has further submitted that the comparison of the injury parameters during the period of investigation should have been with the base year.

76. **Kumho Petrochemicals Co, Ltd** has submitted that the domestic industry is having separate capacities for the various rubber chemicals. KPC understands that the domestic industry has a swing plant that can be used to produce a number of chemicals and it is being used for manufacturing many products. While some of the products manufactured by the domestic industry are covered in this investigation other products are not covered. In such a scenario, KPC does not know on what basis the capacity was allocated to all the rubber chemicals covered under this investigation. KPC requests the authority to disclose the basis on which the capacity for each of the subject goods was determined for the purposes of this investigation.

77. They have further submitted that the domestic industry was earning a profit of Rs.36.06 per kg during 2005-06 on 6PPD while it earned a profit of Rs.10.33 per kg during 2006-07 (POI) as shown in preliminary findings. Thus there was only a fall in profit. According to information available with KPC, domestic industry was selling the product during POI at around Rs.165/- per kg. If they had earned a profit of Rs.10.33 per kg, it work out to a profit of 7% on total cost. Normally, authority would grant only 5% profit on total cost. Thus, the domestic industry was earning more than adequate profits. Their demand appears to be that they should be protected to earn super profits. It appears that the domestic industry wants to use the anti-dumping measure to create trade distortions where none exit rather to remedy already exiting trade distortions.

78. **Shandong Shanxian Chemical Co.Ltd** and **Shandong Yanggu Huatai Chemical Co.Ltd**, have submitted that neither Shanxian nor Yanggu have caused any injury to domestic industry by the alleged dumping during POI. They have further submitted that the domestic industry injury claim seems to be highly exaggerated and also appears to have

obtained anti-dumping protection on its whole range of products. ROC is usually taken at 22% and profits & costs are usually over 14% which are both well above world average. Once a company obtains anti-dumping duty on one of its products, it's easy to show injury on the other products but, there is no real injury and the causes of the injury maybe in other factors rather than the alleged dumping.

G.4 Examination by the Authority

79. The Authority has noted the views expressed by the interested parties in respect of the injury claims of the domestic industry and proceeds to examine the issues raised and injury claims of the domestic industry as follows:

G.5. Cumulative assessment of injury

80. As per annexure-II (iii) of the Rules, in case, imports of a product from more than one country are being simultaneously subjected to Anti-Dumping investigation, the Authority is required to cumulatively assess effect of such imports, only when it determines that

- a. The margin of dumping established in relation to imports from each country is more than 2% expressed as percentage of export price and the volume of the imports from each country is 3% of the imports of like article, or where the export of individual countries is less than 3%, the imports collectively accounts for more than 7% of the imports of like article, and
- b. Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic article.

81. In the instant case, investigations in respect of 6PPD are from more than one country. The Authority, therefore, examined whether the injury to the domestic industry must be determined cumulatively from these two sources in respect of 6 PPD. The Authority has found that the margin of dumping in respect of each of the subject country is more than 2% and the volume of imports from each country is also more than 3%. Cumulative assessment of injury is appropriate in respect of these two countries in view of the followings-

- i. The subject goods have been imported from the subject countries under the same tariff classification;
- ii. The Authority has found that the imported subject goods are commercial substitutes of the domestically produced 6 PPD.
- iii. The information furnished to the Authority gives a reasonable indication that the exports made from the subject countries compete in the same market, and are like products.
- iv. Imports from Korea and China have been made by same category of customers who are buying the product from the domestic industry.

82. The Authority holds that it is appropriate to cumulatively assess the effect of dumped imports of 6 PPD on the domestically produced like article.

G.6 Volume Effect of dumped imports and Impact on domestic industry

83. Subject Rubber Chemicals have been reported under Customs Subheading 38.12, 29.34 and 29.25 under the Customs Tariff Act. Since the customs classification are not dedicated to the products under consideration, summary import information published by DGCI&S have not been relied upon for determination of volume and value of imports of product under consideration. The Authority had relied upon the data provided by IBIS in order to determine volume and value of imports. However, subsequent to preliminary findings, the petitioner provided more information collected from DGCI&S. Petitioner also provided an analysis of imports reported by IBIS and DGCI&S, wherein the petitioner compared all the transactions presented in the two statistics and established that a large number of transactions reported by the IBIS were not included in DGCI&S and similarly, a large number of transactions reported in DGCI&S were not included in IBIS. The petitioner further claimed that whereas the DGCI&S data is in respect of all the customs ports in the Country is available; IBIS data is only in respect of selected ports. Therefore, IBIS data would naturally not include imports reported in a number of customs ports in the Country. The petitioner has claimed to have procured DGCI&S information by using product description, which established that a large number of imports of TDQ and CBS were not included in the DGCI&S data earlier provided. While disputing the claim of the petitioner, ATMA has argued that the petitioner has relied upon self serving information. It is noted that ATMA is an association of the consumers of the subject goods.

84. The Authority holds that ATMA has neither provided information to establish volume and value of imports, nor have they given any plausible reasons as to why the information of imports cumulated from transaction wise imports reported by IBIS and DGCI&S would not be appropriate for determination of volume and value of imports of the product under consideration. Authority has, however, examined the claim of the domestic industry on this score and concludes that IBIS data source, although complete, showing much more quantum of import of subject goods, it does not reflect the imports made through ICD Ludhiana port. Therefore Authority considers imports thru ICD Ludhiana as reflected in DGCI&S data source to be included into the detailed transaction wise data of IBIS data source for volume analysis.

G.6.1 Import Volumes and share of subject country

85. Authority has examined the claim of the domestic industry and after comparing the import data from IBIS with transaction wise data from DGCI&S source finds the pleading of the Domestic Industry on this score to be correct. The Authority while conducting the volume analysis has considered this aspect and the same is detailed in the table given below.

IBIS Data and DGCI&S data (DGCI&S data for Ludhiana Port only)

Imports	Units	2003-04	2004-05	2005-06	POI
<u>PX 13</u>					
China RP	Mt	23	182	443	1620
Korea RP	Mt	51	699	1480	3396
Subject Countries	Mt	74	881	1923	5016
Trend	Indexed	100	1191	2599	6778
Other countries	Mt	3366	4774	2154	765
Trend	Indexed	100	142	64	23
Total Imports	Mt	3440	5655	4077	5781
Trend	Indexed	100.00	164.39	118.52	168.05
<u>MBT</u>					

China RP	Mt	118	280	447	619
Trend	Indexed	100.00	237.29	378.81	524.58
Other countries	Mt	2	8	13	15
Trend	Indexed	100.00	400.00	650.00	750.00
Total Imports	Mt	120	288	460	634
Trend	Indexed	100.00	240.00	383.33	528.33
<u>CBS</u>					
China RP	Mt	285	672	627	696
Trend	Indexed	100.00	235.79	220.00	244.21
Other countries	Mt	77	174	14	31
Trend	Indexed	100.00	225.97	18.18	40.26
Total Imports	Mt	362	846	641	727
Trend	Indexed	100.00	233.70	177.07	200.83
<u>PVI</u>					
China RP	Mt	128	191	210	361
Trend	Indexed	100.00	149.22	164.06	282.03
Other countries	Mt	7	0	0	11
Trend	Indexed	100.00	0.00	0.00	157.14
Total Imports	Mt	135	191	210	372
Trend	Indexed	100.00	141.48	155.56	275.56
<u>TDQ</u>					
China RP	Mt	23	734	862	1315
Trend	Indexed	100.00	3191.30	3747.83	5717.39
Other countries	Mt	544	664	629	295
Trend	Indexed	100.00	122.06	115.63	54.23
Total Imports	Mt	567.00	1398.00	1491.00	1610.00
Trend	Indexed	100.00	246.56	262.96	283.95
<u>TMT</u>					
China RP	Mt	37	100	235	203
Trend	Indexed	100.00	270.27	635.14	548.65
Other countries	Mt	0	0	2	15
Trend	Indexed			100.00	750.00
Total Imports	Mt	37	100	237	218
Trend	Indexed	100.00	270.27	640.54	589.19
Market Share in Imports					
<u>PX 13</u>					
China RP	%	0.67	3.22	10.87	28.02
Korea RP	%	1.48	12.36	36.30	58.74
Subject Countries	%	2.15	15.58	47.17	86.77
Trend	Indexed	100.00	724.22	2192.63	4033.49
Other countries	%	97.85	84.42	52.83	13.23
Trend	Indexed	100.00	86.28	53.99	13.52
<u>MBT</u>					
China RP	%	98.33	97.22	97.17	97.63
Trend	Indexed	100.00	98.87	98.82	99.29
Other countries	%	1.67	2.78	2.83	2.37
Trend	Indexed	100.00	166.67	169.57	141.96
<u>CBS</u>					

China RP	%	78.73	79.43	97.82	95.74
Trend	Indexed	100.00	100.89	124.24	121.60
Other countries	%	21.27	20.57	2.18	4.26
Trend	Indexed	100.00	96.69	10.27	20.05
<u>PVI</u>					
China RP	%	94.81	100.00	100.00	97.04
Trend	Indexed	100.00	105.47	105.47	102.35
Other countries	%	5.19	0.00	0.00	2.96
Trend	Indexed	100.00	0.00	0.00	57.03
<u>TDQ</u>					
China RP	%	4.06	52.50	57.81	81.68
Trend	Indexed	100.00	1294.33	1425.23	2013.52
Other countries	%	95.94	47.50	42.19	18.32
Trend	Indexed	100.00	49.50	43.97	19.10
<u>TMT</u>					
China RP	%	100.00	100.00	99.16	93.12
Trend	Indexed	100.00	100.00	99.16	93.12
Other countries	%	0.00	0.00	0.84	6.88
Trend	Indexed			100.00	815.37

86. The Authority concludes that

- a. Imports of each of the rubber chemical from the subject countries have increased significantly over the injury period in absolute terms;
- b. Share of subject countries in respect of each of the subject rubber chemical has increased significantly over the injury period excepting MBT and TMT.
- c. The imports which were earlier primarily from other countries which are already attracting anti-dumping duties, these imports during POI are now primarily from China. Such a situation prima facie shows that subject countries have crowded out the imports earlier found to be at dumped prices from such other countries.
- d. In their individual capacity the result of the analysis regarding imports from subject country / ies vis-à-vis total imports into India shows that:
 - i. **PX 13** the increase in volume of imports is consistently high throughout the injury period to POI and market share of imports from subject countries has increased from a negligible 2.15% in 2003-04 to a huge 86.77% during POI.
 - ii. **MBT** though the market share in imports from China PR has remained more or less the same the quantum of jump is by 500MT compared to just by 13 MT from other sources.
 - iii. **CBS** the volume of imports from subject country has had a huge increase in terms of volume till 2004-05 but there is a marginal decrease in this volume in 2005-06 but again a marginal increase by around 11% during POI compared to the immediate preceding period.

iv. **PVI** though the increase in imports from subject country is near about 200% during POI compared to base year 2003-04, the market share of China in total imports which was 94.8% in 2003-04 increased to 97% in POI. During 2004-05 and 2005-06, the market share of China was 100% of the total imports..

v. **TDQ** the market share of imports from China PR has increased to 82% during POI compared to just 4% during base period 2003-04.

vi. **TMT** though the imports from subject country have increased many fold, the market share of imports from China PR has declined marginally by around 7%..

G.7 Demand and Market shares

87. Demand of subject goods has been determined by the Authority by adding domestic sales of domestic industry, domestic sales of other Indian producers and imports from all countries. The imports from all countries have been revised from PF stage by including all imports reflected in IBIS data source and additionally Imports from Ludhiana port as reflected in DGCI&S data source as already explained above. The change in demand and market share also takes into account revised data on production and domestic sale of other Indian producers' viz. Lanxes and Merchem as provided by these producers and / or Central Excise Authorities subsequent to issue of Preliminary Findings. The Authority concludes that demand for the subject goods had been growing from base year to POI.

88. Share of imports for each of the subject rubber chemicals in demand/consumption in India determined by the Authority is as under-

	Unit	2003-04	2004-05	2005-06	POI
<u>PX 13</u>					
Domestic Industry	Mt	***	***	***	***
Index		100	93	96	68
Other Producers	Mt	0	0	***	***
Index				100	153
Sales of Indian Industry	Mt	***	***	***	***
Index		100	93	132	123
Total Import	Mt	3440	5655	4077	5781
Index		100	164	119	168
Total Demand	Mt	5971	8007	7424	8882
Index		100	134	124	149
<u>MBT</u>					
Domestic Industry	Mt	***	***	***	***
Index		100	142	123	112
Other Producers	Mt	***	***	***	***
Index		100	243	227	237
Sales of Indian Industry	Mt	***	***	***	***
Index		100	177	159	155
Total Import	Mt	120	288	460	634
Index		100	240	383	528

Total Demand	Mt	601	1137	1224	1378
Index		100	189	204	229
<u>CBS</u>					
Domestic Industry	Mt	***	***	***	***
Index		100	105	123	135
Other Producers	Mt	***	***	***	***
index		100	492	441	474
Sales of Indian Industry	Mt	***	***	***	***
index		100	152	162	176
Total Import	Mt	362	846	641	727
Index		100	234	177	201
Total Demand	Mt	1139	2029	1899	2098
Index		100	178	167	184
<u>PVI</u>					
Domestic Industry	Mt	***	***	***	***
Index		100	122	139	138
Other Producers	Mt	0	0	0	0
Sales of Indian Industry	Mt	***	***	***	***
Index		100	122	139	138
Total Import	Mt	135	191	210	372
Index		100	141	156	276
Total Demand	Mt	479	609	688	846
Index		100	127	144	177
<u>TDQ</u>					
Domestic Industry	Mt	***	***	***	***
Index		100	97	104	101
Other Producers	Mt	***	***	***	***
Index		100	419	345	356
Sales of Indian Industry	Mt	***	***	***	***
Index		100	151	145	144
Total Import	Mt	567	1398	1491	1610
Index		100	247	263	284
Total Demand	Mt	3153	5301	5239	5327
Index		100	168	166	169
<u>TMT</u>					
Domestic Industry	Mt	***	***	***	***
Index		100	99	105	124
Other Producers	Mt	***	***	***	***
Index		100	109	104	117
Sales of Indian Industry	Mt	***	***	***	***
Index		100	104	105	121
Total Import	Mt	37	100	237	218
Index		100	270	641	589
Total Demand	Mt	924	1019	1166	1290
Index		100	110	126	140
Market share in demand					
<u>PX 13</u>					
Domestic Industry	%	***	***	***	***
Other Producers	%	***	***	***	***

Total Indian Industry	%	42.39	29.37	45.08	34.91
China RP	%	0.39	2.27	5.97	18.24
Korea RP	%	0.85	8.73	19.94	38.23
Subject Countries	%	1.24	11.00	25.90	56.47
Import from Other countries	%	56.37	59.62	29.02	8.61
<u>MBT</u>					
Domestic Industry	%	***	***	***	***
Other Producers	%	***	***	***	***
Total Indian Industry	%	80.04	74.66	62.41	53.98
China RP	%	19.62	24.64	36.53	44.93
Import from Other countries	%	0.33	0.70	1.06	1.09
<u>CBS</u>					
Domestic Industry	%	***	***	***	***
Other Producers	%	***	***	***	***
Total Indian Industry	%	68.22	58.30	66.25	65.35
China RP	%	25.02	33.12	33.02	33.17
Import from Other countries	%	6.76	8.58	0.74	1.48
<u>PVI</u>					
Domestic Industry	%	***	***	***	***
Other Producers	%	***	***	***	***
Total Indian Industry	%	71.80	68.63	69.48	56.02
China RP	%	26.73	31.37	30.52	42.68
Import from Other countries	%	1.46	0.00	0.00	1.30
<u>TDQ</u>					
Domestic Industry	%	***	***	***	***
Other Producers	%	***	***	***	***
Total Indian Industry	%	82.02	73.63	71.54	69.77
China RP	%	0.73	13.85	16.45	24.69
Import from Other countries	%	17.25	12.52	12.01	5.54
<u>TMT</u>					
Domestic Industry	%	***	***	***	***
Other Producers	%	***	***	***	***
Total Indian Industry	%	96.00	90.19	79.67	83.10
China RP	%	4.00	9.81	20.16	15.74
Import from Other countries	%	0.00	0.00	0.17	1.16

89. Authority notes that the data on sales and production of PX13, MBT, CBS, and TDQ has not been furnished by Lanxes but their Excise Authorities who have provided the information for the period 2004-05 onwards. Domestic Industry has submitted that during 2003-04, Lanxes (Formerly known as Bayer India Ltd.) was not in production of PX13. This submission of the petitioner has been found correct by the Authority, because, concerned Central excise Authority has informed that Lanxes was registered only w.e.f. July 2004 as manufacturer. From the above table, the Authority concludes that:

(i) **PX-13**-Demand for the product has gone up substantially from 5971MT (2003-04) to 8882 MT (POI). The market share in demand in respect of imports from subject countries which was only 1.24% during 2003-04 reached to a level of 56.47% in POI and as a result, the share of domestic industry, which was ***% during 2003-04 came down to ***% during POI. The share of Indian producers (including domestic industry) which was 42.39% in 2003-04 came down to 34.91% during POI. The market share of imports from countries other than the subject countries which was 56.37% of total demand during 2003-04 declined to 8.61% during POI.

(ii) **MBT**- Demand for the product has gone up from 601 MT during 2003-04 to 1378 (MT) in POI. The imports from China which was only 19.62% of the demand during 2003-04 went up to 44.93% during POI while the share of domestic industry got reduced from ***% in 2003-04 to *** % during POI. The market share of total Indian producers (including domestic industry) which was 80.04% of total demand in 2003-04 came down to 53.98 % in POI.

iii) **CBS**- Demand for the product has gone up from 1139 MT in 2003-04 to 2098 MT during POI. The market share of the domestic industry, which was ***% during 2003-04, came down to ***% during POI. The share of imports from China which was 25.02% in 2003-04 went up further to 33.17% during POI. The market share of total Indian producers (including domestic industry) which was 68.22% of total demand in 2003-04 has gone down to 65.35 % in POI.

iv) **PVI**- Demand for the product has gone up substantially from 479 MT in 2003-04 to 846 MT during POI. In spite of the growth in demand, the market share of the domestic industry which was ***% in 2003-04 came down to ***% during POI whereas imports from China went up from 26.73% to 42.68% during the period. Further, the market share of Indian producers (including domestic industry) which was 71.80% during 2003-04 came down to 56.02% of the demand during POI.

v) **TDQ**-Demand for the product has gone up from 3153 MT during 2003-04 to 5327 MT during POI. The domestic industry market share which was ***% during 2003-04, came down to ***% during POI. The market share of Indian producers (including domestic industry) which was 82.02% during 2003-04 declined to 69.77% during POI. At the same time, the imports from China which were only at 0.73% of demand during 2003-04 went up sharply to 24.69% in POI.

vi) **TMT**- Demand for the product has gone up from 924 MT in 2003-04 to 1290 MT during POI but the market share of domestic industry came down from ***% in 2003-04 to ***% in POI. The market share of Indian producers (including domestic industry) which was 96% during 2003-04 came down to 83.10% during POI. The share of imports from China which was only 4% in 2003-04 went up significantly to 15.74% during POI.

G.8 Capacity, production and capacity utilization of the Domestic Industry

PX 13	Unit	2003-04	2004-05	2005-06	POI
Installed Capacity	Mt	***	***	***	***
Trend	Indexed	100.00	103.64	103.64	107.27
Production	Mt	***	***	***	***

Trend	Indexed	100.00	105.68	102.11	92.64
Capacity Utilization (%)	%	***	***	***	***
Trend	Indexed	100.00	101.97	98.53	86.36
MBT					
Installed Capacity	Mt	***	***	***	***
Trend	Indexed	100.00	100.00	100.00	100.00
Production	Mt	***	***	***	***
Trend	Indexed	100.00	131.04	82.05	98.88
Capacity Utilization (%)	%	***	***	***	***
Trend	Indexed	100.00	131.04	82.05	98.88
CBS					
Installed Capacity	Mt	***	***	***	***
Trend	Indexed	100.00	109.09	131.82	154.55
Production	Mt	***	***	***	***
Trend	Indexed	100.00	102.21	122.83	138.13
Capacity Utilization (%)	%	***	***	***	***
Trend	Indexed	100.00	93.70	93.18	89.38
PVI					
Installed Capacity	Mt	***	***	***	***
Trend	Indexed	100.00	103.85	103.85	103.85
Production	Mt	***	***	***	***
Trend	Indexed	100.00	103.71	110.58	102.06
Capacity Utilization (%)	%	***	***	***	***
Trend	Indexed	100.00	99.87	106.48	98.28
TDQ					
Installed Capacity	Mt	***	***	***	***
Trend	Indexed	100.00	107.14	107.14	120.00
Production	Mt	***	***	***	***
Trend	Indexed	100.00	106.40	114.79	114.19
Capacity Utilization (%)	%	***	***	***	***
Trend	Indexed	100.00	99.30	107.14	95.16
TMT					
Installed Capacity	Mt	***	***	***	***
Trend	Indexed	100.00	100.00	104.17	104.17
Production	Mt	***	***	***	***
Trend	Indexed	100.00	90.47	124.32	103.37
Capacity Utilization (%)	%	***	***	***	***
Trend	Indexed	100.00	90.47	119.35	99.23

90. The authority concludes the following from above the table:

i. **PX-13-** The production during 2003-04 was *** MT which went up to *** MT during 2004-05. Thereafter, the production started declining and reached to a level of *** MT during POI. As a result, the capacity utilization which was in the range of 81% - 83% during the preceding 3 years declined to 71% during POI. The Authority notes that during POI the domestic industry nominally enhanced its capacity from *** MT to *** MT. Had there been no capacity addition during POI, the capacity utilization would have been 73% against 71%. Even then, their level of capacity utilization shows significant declining trends.

ii. **MBT**- during 2003-04, the production of domestic industry was ***MT which went up to *** MT at plant-capacity utilization of 84%. Thereafter production declined during 2005-06 to the level of *** MT. During POI, the production was ***MT and capacity utilisation was 63% against 84% during 2004-05 and 63% during 2003-04. Capacity utilisation which was 84% in 2004-05 has reduced to 63% in the POI in spite of installed capacity being stagnant. Even compared to the base year 2003-04, the capacity utilization during POI was lower.

iii. **CBS**- The domestic industry has been increasing the capacity for the product having regard to the increasing demand. Capacity utilization which was 91% during 2003-04 declined to 81% during the POI. However increase in installed capacity has also contributed to this decline.

iv. **PVI**-The capacity utilization which was 85-95% in the base year 2003-04, declined to 80-90% during POI after reaching 96-99% during 2005-06.

v. **TDQ**- The domestic industry has increased the capacity for the product to meet the increasing demand for the product in India. Capacity utilization which was 82% both during 2003-04 and 2004-05 went up further to 88% during 2005-06 against which during POI, the capacity utilization was only 78%.

vi. **TMT**-Both production and capacity utilization was increasing till 2005-06. The capacity utilization during 2005-06 was 90% which has sharply declined to 75% during POI.

G.9 Dumped Imports in relation to Indian Production

Particulars	Unit	2003-04	2004-05	2005-06	2006-07
Imports from subject countries					
MBT	MT.	118	280	447	619
CBS	MT	285	672	627	696
PVI	MT	128	191	210	361
PX-13	MT	74	881	1,923	5016
TDQ	MT	23	734	862	1315
TMT	MT	37	100	235	203
Indian Production					
MBT	Indexed	100	153	112	120
CBS	Indexed	100	135	154	167
PVI	Indexed	100	104	111	102
PX-13	Indexed	100	106	134	126
TDQ	Indexed	100	139	149	135
TMT	Indexed	100	98	115	109
Subject imports share in Indian production					
MBT	%	15.09	23.33	51.02	66
CBS	%	26	45.53	37.17	37.93
PVI	%	10.96	15.77	16.25	30.29
PX-13	%	1.64	18.53	31.80	88.17

TDQ	%	0.37	8.5	9.30	15.70
TMT	%	3.86	10.68	21.36	19.37

91. The Authority holds that imports from subject countries in relation to Indian production have been rising throughout the injury period. Excepting TMT, the imports from subject countries went up further during POI as compared to proceeding year 2005-06.

G.10 Sales volume of Domestic Industry –Domestic Market

	Unit	2003-04	2004-05	2005-06	POI
PX 13	MT	***	***	***	***
Trend	Indexed	100.00	92.91	96.30	67.61
MBT	MT	***	***	***	***
Trend	Indexed	100.00	141.62	123.13	111.96
CBS	MT	***	***	***	***
Trend	Indexed	100.00	105.39	123.38	135.44
PVI	MT	***	***	***	***
Trend	Indexed	100.00	121.55	139.04	137.85
TDQ	MT	***	***	***	***
Trend	Indexed	100.00	96.53	104.32	100.64
TMT	MT	***	***	***	***
Trend	Indexed	100.00	98.73	105.22	123.93

92. The authority further holds the following from the above table:

- i. PX-13-**Sales in POI have declined substantially as compared to both base year and immediate preceding year.
- ii. MBT-**Sales of the domestic industry have seen an increasing trend in 2004-05 and thereafter have started declining while sales during POI were marginally higher over 2003-04 but lower than the previous year 2005-06. The Authority also notes that domestic industry is left with large unutilized capacity.
- iii. CBS-**Sales have increased over the year's right through the injury period to POI. The sales during POI were higher by 35% over base year though capacity addition was 55% during the corresponding period.
- iv. PVI-** Sales has increased over the years and is more or less stagnant in 2005-06 and POI. The sale volumes can be treated more or less stagnant during injury period through POI.
- v. TDQ-**During 2003-04, the sales were at ***MT which marginally declined during 2004-05 but went up during 2005-06 to the level of *** MT but declined to *** MT during POI despite capacity additions.
- vi. TMT-** Sales have increased during the injury period thru POI.

H.1 Price Effect of the Dumped imports on the Domestic Industry & factors affecting prices

93. With regard to the effect of dumped imports on prices as referred to in sub-rule (2) of rule 18, the Designated Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared to the price of like product in India or whether 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.

94. The impact of dumped imports on the prices of the domestic industry from the subject countries have been examined by the Authority with reference to the price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis the weighted average cost of production, Net Sales Realization (NSR) and the Non-injurious Price (NIP) of the Domestic industry have been compared with the landed cost of imports from the subject countries by the Authority.

95. While working out the net sales realization of the domestic industry, the rebates, discounts and commissions offered by the domestic industry and the central excise duty paid have been reduced by the Authority.

96. Price undercutting has been determined by the Authority by comparing the landed value of dumped imports from the subject countries over the entire period of investigation with the net sales realization of the domestic industry for the same period. For this purpose landed value of imports has been calculated by adding 1% landing charge and applicable basic customs duty to the weighted average export price reported by responding exporters and verified during spot verification by the investigating team. So far as the non-cooperating exporters from the subject countries are concerned, the landed price has been determined by the Authority, based upon the least export price of the cooperating exporters reflected in their submissions and verified by the Authority.

97. For the purpose of price underselling the landed prices of imports from subject countries have been compared with the Non-injurious price of the domestic industry determined for the POI by the Authority.

H.1.1. Price undercutting and underselling effects

	Unit	POI					
		PX 13	MBT	CBS	PVI	TDQ	TMT
Net Sales Realization	Rs/kg	***	***	***	***	***	***
Landed Price							
Sinorgchem Company Shandong	Rs/kg	***	-	-	-	-	-
Shandong Shanxian Chemical Co. Ltd.	Rs/kg	-	***	***	***	-	***
Shandong Yanggu Huatai Chemical Co. Ltd	Rs/kg	-	-	-	***	-	-
Other exporters from China PR	Rs/kg	***	***	***	***	***	***
Kumho Petrochemicals Co, Ltd Korea RP	Rs/kg	***	-	-	-	-	-
Other exporters from Korea RP	Rs/kg	***	-	-	-	-	-
Price undercutting							
Sinorgchem Company Shandong	Rs./kg	***	-	-	-	-	-
Shandong Shanxian Chemical Co. Ltd.	Rs./kg		***	***	***	-	***
Shandong Yanggu Huatai Chemical Co. Ltd	Rs./kg	-	-	-	***	-	-
Other exporters from China	Rs./kg	***	***	***	***	***	***

PR							
Kumho Petrochemicals Co, Ltd Korea RP	Rs./kg	***	-	-	-	-	
Other exporters from Korea RP	Rs./kg	***	-	-	-	-	--
Price undercutting (%)							
Sinorgchem Company Shandong	-	14-19	-	-	-	-	-
Shandong Shanxian Chemical Co. Ltd.	-	-	14-19	17-22	5-10	-	20-25
Shandong Yanggu Huatai Chemical Co. Ltd	-	-	-	-	5-10	-	-
Other exporters from China PR		25-30	15-20	20-25	10-15	15-20	25-30
Kumho Petrochemicals Co, Ltd Korea RP		5-10	-	-	-	-	-
Other exporters from Korea RP		10-15	-	-	-	-	-
Non Injurious Price	Rs/Kg	***	***	***	***	***	***
Price Underselling							
Sinorgchem Company Shandong	Rs/Kg	***	-	-	-	-	-
Shandong Shanxian Chemical Co. Ltd.	Rs/Kg	-	***	***	***	-	***
Shandong Yanggu Huatai Chemical Co. Ltd	Rs/Kg	-	-	-	***	-	-
Other exporters from China PR	Rs/Kg	***	***	***	***	***	***
Kumho Petrochemicals Co, Ltd Korea RP	Rs/Kg	***	-	-	-	-	-
Other exporters from Korea RP	Rs/Kg	***	-	-	-	-	-
Price Underselling (%)							
Sinorgchem Company Shandong	(%)	25-30	-	-	-	-	
Shandong Shanxian Chemical Co. Ltd.	(%)	-	18-23	18-23	10-15	-	25-30
Shandong Yanggu Huatai Chemical Co. Ltd	(%)	-	-	-	10-15	-	-
Other exporters from China PR	(%)	35-40	18-23	20-25	13-18	15-20	30-35
Kumho Petrochemicals Co, Ltd Korea RP	(%)	15-20	-	-	-	-	-
Other exporters from Korea RP	(%)	17-22	-	-	-	-	-

98. From the above table, the Authority holds that the landed value of dumped imports of subject rubber chemicals have been undercutting the domestic prices significantly. Further,

the landed value from the subject countries are also significantly below the non-injurious price of the domestic industry.

H.1.2 Price suppression and depression effects of the dumped imports:

99. Movements in cost of Sales vs. selling price

PX 13	Unit	2003-04	2004-05	2005-06	POI
Cost of Sales	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	113.34	122.71	124.97
Selling Price	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	127.53	170.08	153.50
Profit/Loss	Rs/Kg	(***)	(***)	***	***
Trend	Indexed	(100.00)	(28.12)	161.73	46.33
MBT					
Cost of Sales	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	115.83	118.82	120.65
Selling Price	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	119.93	137.40	130.34
Profit/Loss	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	220.97	595.02	368.85
CBS					
Cost of Sales	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	112.28	117.08	114.69
Selling Price	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	112.80	128.17	110.38
Profit/Loss	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	115.59	187.44	87.28
PVI					
Cost of sales	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	97.27	98.86	86.75
Selling Price	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	83.13	78.28	72.47
Profit/Loss	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	37.89	12.44	26.80
TDQ					
Cost of sales	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	126.02	124.58	116.89
Selling Price	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	149.79	179.41	140.21
Profit/Loss	Rs/Kg	(***)	***	***	***
Trend	Indexed	(100.00)	412.54	1117.73	411.43
TMT					
Cost of sales	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	100.98	100.76	105.63
Selling Price	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	106.59	114.69	102.45
Profit/Loss	Rs/Kg	***	***	***	***
Trend	Indexed	100.00	167.06	264.70	68.29

100. To examine the price suppression effect of the dumped imports on the domestic prices, the trend of net sales realization has been compared with the cost of production by the Authority.

101. The Authority concludes that there were upward trends in the cost of sales during the injury period excepting CBS, PVI and TDQ where the cost of sales came down during POI as compared to previous year. Increase in cost of sales has mainly been due to increase in inputs price, as the domestic industry has been able to reduce the conversion cost over the years.

102. The movement in selling price of PX-13 (6 PPD) shows that while during POI, the cost of sales went up by about 2%, on the contrary, the selling price came down by about 10%. Similarly, in respect of MBT while cost of sales went up during POI over 2005-06, the selling price registered a fall of about 5%. In the case of CBS, while cost of sales came down by about 2%, the selling price fell by about 14% during POI over 2005-06. In respect of TDQ, while cost of sales declined by about 6% during POI over 2005-06, the selling price fell significantly by about 22% during the period. In the case of TMT, while cost of sales went up during POI over 2005-06, the selling price, on the contrary, came down by about 11%.

103. The above analysis by the Authority indicates that the fall in the sales realization has been significantly higher than the decline in the cost of sales. In the case of PX-13 (6-PPD), MBT and TMT, while cost of sales went up during POI over 2005-06, the selling prices, on the contrary, registered a significant fall. The Authority therefore concludes that the price effect of the dumped imports has forced the domestic industry to keep its prices lower in order to retain its market share.

H.1.3 Examination of other Injury Parameters

104. The Authority concludes that from the above analysis, the dumped import have adverse volume and price effect on the domestic industry in terms of increase in volume of dumped imports both in absolute terms and market share. The price under cuttings in respect of each of the rubber chemicals i.e. subject goods has been significant. The movement in selling price has not been commensurate with the corresponding movements in cost of sales. In the case of 6PPD, MBT and TMT, while cost of sales went up during POI, the selling price fell significantly over 2005-06.

H.1.4. Profits, return on investments and cash flow

<u>PX 13</u>	Unit	2003-04	2004-05	2005-06	POI
Profit before Tax	Rs/Lacs	(***)	(***)	***	***
Trend	Indexed	(100.00)	(28.40)	178.23	36.39
PBIT	Rs/Lacs	(***)	(***)	***	***
Trend	Indexed	(100.00)	(28.40)	178.23	36.39
PBDT- Cash profit	Rs/Lacs	(***)	(***)	***	***
Trend	Indexed	(100.00)	(6.70)	229.84	66.84
<u>MBT</u>					
Profit before tax	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	312.93	732.67	412.98
PBIT	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	213.50	495.89	279.83

PBDT-Cash profit	Rs/Lac	***	***	***	***
Trend	Indexed	100.00	269.18	584.98	339.41
CBS					
Profit before tax	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	121.81	231.27	118.22
PBIT	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	109.55	207.99	106.61
PBDT-Cash profit	Rs/Lac	***	***	***	***
Trend	Indexed	100.00	120.88	222.17	122.61
PVI					
Profit before tax	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	46.06	17.30	36.95
PBIT	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	43.19	16.85	34.76
PBDT	Rs/Lac	***	***	***	***
Trend	Indexed	100.00	50.59	22.99	41.64
TDQ					
Profit before tax	Rs/Lacs	(***)	***	***	***
Trend	Indexed	(100.00)	398.21	1166.00	414.08
PBIT	Rs/Lacs	(***)	***	***	***
Trend	Indexed	(100.00)	717.35	2091.22	745.47
PBDT-cash profit	Rs/Lac	(***)	***	***	***
Trend	Indexed	(100.00)	962.35	2606.28	997.58
TMT					
Profit before tax	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	164.93	278.52	84.64
PBIT	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	135.74	229.08	70.66
PBDT-Cash Profit	Rs/Lac	***	***	***	***
Trend	Indexed	100.00	164.93	278.52	84.64

105. From the above table the Authority concludes that the profitability of the domestic industry, excepting in respect of **PVI**, was increasing till 2005-06 but declined sharply in the POI. In the case of PVI, there was a decline in the profitability from the base year 2003-04 itself and this trend has continued right up to POI.

H.1.5. Return on Investment and ability to raise capital

PX 13	Unit	2003-04	2004-05	2005-06	POI
PBIT	Rs/Lacs	(***)	(***)	***	***
Trend	Indexed	(100.00)	(28.40)	178.23	36.39
Net Fixed Assets (excluding revaluation)	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	79.12	81.12	64.08
Working Capital	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	127.59	160.61	185.26
Capital Employed-NFA	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	100.75	116.60	118.17

Return on Capital Employed (NFA Basis)	%	***	***	***	***
Trend	Indexed	(100.00)	(28.19)	152.86	30.80
<u>MBT</u>					
PBIT	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	213.50	495.89	279.83
Net Fixed Assets (excluding revaluation)	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	160.64	131.55	142.30
Working Capital	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	122.44	176.54	105.35
Capital Employed-NFA	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	130.82	166.67	113.45
Return on Capital Employed (NFA Basis)	%	***	***	***	***
Trend	Indexed	100.00	163.20	297.53	246.65
<u>CBS</u>					
PBIT	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	109.55	207.99	106.61
Net Fixed Assets (excluding revaluation)	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	107.88	159.32	149.92
Working Capital	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	96.14	207.46	175.77
Capital Employed-NFA	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	99.37	194.22	168.66
Return on Capital Employed (NFA Basis)	%	***	***	***	***
Trend	Indexed	100.00	110.25	107.09	63.21
<u>PVI</u>					
PBIT	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	43.19	16.85	34.76
Net Fixed Assets (excluding revaluation)	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	101.92	103.78	100.31
Working Capital	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	118.95	165.25	145.61
Capital Employed-NFA	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	114.31	148.49	133.26
Return on Capital Employed (NFA Basis)	%	***	***	***	***
Trend	Indexed	100.00	37.79	11.34	26.08
<u>TDQ</u>					
PBIT	Rs/Lacs	(***)	***	***	***
Trend	Indexed	(100.00)	717.35	2091.22	745.47
Net Fixed Assets (excluding revaluation)	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	88.64	89.38	84.94
Working Capital	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	192.44	280.02	295.80

Capital Employed-NFA	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	147.09	196.74	203.68
Return on Capital Employed (NFA Basis)	%	***	***	***	***
Trend	Indexed	(100.00)	487.68	1062.95	366.00
TMT					
PBIT	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	135.74	229.08	70.66
Net Fixed Assets (excluding revaluation)	Rs/Lacs	0.00	0.00	0.00	0.00
Trend	Indexed	0.00	0.00	0.00	0.00
Working Capital	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	58.08	173.08	122.36
Capital Employed-NFA	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	58.08	173.08	122.36
Return on Capital Employed (NFA Basis)	%	***	***	***	***
Trend	Indexed	100.00	233.73	132.35	57.75

106. The Authority concludes that there has been decline in ROI in all the products in the POI excepting PVI. In the case of PVI, the return on capital employed improved during POI over 2005-06 but is still significantly lower than base year 2003-04.

H.2. Productivity

	Unit	2003-04	2004-05	2005-06	POI
PX 13	MT	***	***	***	***
Trend	Indexed	100.00	140.81	107.23	100.15
MBT	MT	***	***	***	***
Trend	Indexed	100.00	139.52	93.93	91.85
CBS	MT	***	***	***	***
Trend	Indexed	100.00	124.62	129.62	108.22
PVI	MT	***	***	***	***
Trend	Indexed	100.00	119.40	99.00	77.96
TDQ	MT	***	***	***	***
Trend	Indexed	100.00	156.37	146.17	138.90
TMT	MT	0.00	0.00	0.00	0.00
Trend	Indexed	0.00	0.00	0.00	0.00

107. From the data on production per employee, the Authority concludes that the productivity, excepting CBS and TDQ declined during POI as compared to base year as well as previous year. The fall in production during POI, (excepting MBT and CBS), is the main reason for this decline in production over 2005-06. The productivity in respect of TMT has not been worked out because the domestic industry get this product manufactured on job-basis from outside.

H.3. Employment and wages

	Unit	2003-04	2004-05	2005-06	POI
PX 13					

Employment (Manpower Strength)	Nos.	***	***	***	***
Trend	Indexed	100.00	75.05	95.23	92.51
Wages	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	109.67	124.85	122.01
MBT					
Employment (Manpower Strength)	Nos.	***	***	***	***
Trend	Indexed	100.00	93.93	87.36	107.65
Wages	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	111.66	71.97	92.41
CBS					
Employment (Manpower Strength)	Nos.	***	***	***	***
Trend	Indexed	100.00	82.02	94.76	127.65
Wages	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	102.19	116.63	119.87
PVI					
Employment (Manpower Strength)	Nos.	***	***	***	***
Trend	Indexed	100.00	86.86	111.70	130.92
Wages	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	95.21	109.83	93.30
TDQ					
Employment (Manpower Strength)	Nos	***	***	***	***
Trend	Indexed	100.00	68.04	78.53	82.21
Wages	Rs/Lacs	***	***	***	***
Trend	Indexed	100.00	96.35	106.85	89.79
TMT					
Employment (Manpower Strength)	Nos.				
Trend	Indexed				
Wages	Rs/Lacs				
Trend	Indexed				

108. The Authority concludes that the employment level does not show significant change. For TMT, a product, which is being job, worked from out side, hence no workers.

H.4. Inventories

PX 13	Unit	2003-04	2004-05	2005-06	POI
Opening Stock	MT	***	***	***	***
Closing Stock	MT	***	***	***	***
Average Stock	MT	***	***	***	***
Trend	Indexed	100.00	315.35	351.04	552.81
Average stock in terms of no.of days' sales	Nos.	5	15	15	31

MBT					
Opening Stock	MT	***	***	***	***
Closing Stock	MT	***	***	***	***
Average Stock	MT	***	***	***	***
Trend	Indexed	100.00	139.32	159.31	104.88
Average stock in terms of no.of days'sales	Nos.	32	32	61	29
CBS					
Opening Stock	MT	***	***	***	***
Closing Stock	MT	***	***	***	***
Average Stock	MT	***	***	***	***
Trend	Indexed	100.00	105.08	178.93	195.50
Average stock in terms of no.of days'sales	Nos.	19	19	29	25
PVI					
Opening Stock	MT	***	***	***	***
Closing Stock	MT	***	***	***	***
Average Stock	MT	***	***	***	***
Trend	Indexed	100.00	160.55	210.37	184.14
Average stock in terms of no.of days'sales	Nos.	21	34	40	37
TDQ					
Opening Stock	MT	***	***	***	***
Closing Stock	MT	***	***	***	***
Average Stock	MT	***	***	***	***
Trend	Indexed	100.00	175.16	363.73	457.22
Average stock in terms of no.of days'sales	Nos.	11	21	37	47
TMT					
Opening Stock	MT	***	***	***	***
Closing Stock	MT	***	***	***	***
Average Stock	MT	***	***	***	***
Trend	Indexed	100.00	66.49	136.55	155.76
Average stock in terms of no.of days'sales	Nos.	37	25	49	47

109. The Authority concludes that there has been accumulation of inventory during the injury period and POI as under:-

- i) **PX-13** The average inventory which was only ***MT during 2003-04 started mounting up and reached to a level of *** MT. The closing stock (as on 31.3.2007) at the end of POI was ***MT. The average inventory, in terms number of days' sales, which was 5 days in 2003-04 went up significantly during 2004-05 and 2005-06 and reached to 31 days during POI.
- ii) **MBT** The average inventory during 2003-04 was *** MT which went up to ***MT and ***MT during 2004-05 and 2005-06 respectively. During POI, the average inventory was higher than the base year 2003-04.
- iii) **CBS** The average inventory which was *** MT in 2003-04 and *** MT in 2004-05 increased to ***MT in 2005-06. During POI, the inventory further went up

to 99 MT. The average inventory, in terms of number of days' sales, which was 19 days in 2003-04 increased to 25 days in POI.

iv) **PVI** The average inventory which were *** MT in 2003-04 and increased to ***MT in 2004-05 and ***MT in 2005-06. During POI, the average inventory was 123 MT. The average inventory in terms of number of days' sales, which was 21 days, increased to 37 days in POI.

v) **TDQ** The average inventory which was *** MT in 2003-04 increased to *** MT in 2004-05 and *** MT in 2005-06. The average inventory in POI further went up to the level of *** MT. The average inventory, in terms of number of days sales, which was 11 days in 2003-04 increased steadily and reached to a level of 47 days in POI.

vi) **TMT** The average inventory during 2003-04 was *** MT which went up to *** MT in 2005-06 and ***MT in POI. In terms of number of days' sale, the average inventory went up from 37 days (2003-04) to 47 days (POI).

H.5 Growth

110. The Authority concludes that growth in demand shows positive trend from base year to POI on year to year basis. Growth on account of Production, sales, selling price and market share were negative in the POI.

H.6. Investment

111. The Authority holds that the company has made fresh investments, considering that the demand for rubber chemicals is increasing significantly, with the significant increase in vehicles production in the Country. While the dumping has so far not impacted the ability of the company to raise capital in the short run, it is quite possible that persistent dumping would have significant adverse impact.

H.7. Magnitude of Dumping

112. Magnitude of dumping as an indicator of the extent to which the dumped imports can cause injury to the domestic industry shows that the dumping margins determined against the subject countries, for the POI, are significant.

H.8. Conclusion on injury

113. On the injury front the Authority holds that as under:

i. **PX-13** – Imports of PX13 during POI increased significantly in absolute terms. Imports increased significantly in relation to total imports into India, production and consumption in India. With regard to price effect, it is noted that imports were significantly undercutting the prices of the domestic industry in the market and selling price of the domestic industry declined significantly during POI. As regards consequent impact of dumped imports on the domestic industry, it is noted that the product was earlier facing dumping from Europe and Taiwan and interim anti dumping duties were imposed on 7th July, 2005. Performance of the domestic industry first improved and thereafter deteriorated in POI in terms of production, capacity utilization, selling price, profits, cash profit and return on investments. Domestic sales & market share declined and inventories increased throughout the injury period. Imports were suppressing domestic prices. The Authority notes that improvements in some parameters between 2003-04 and 2005-06 was on account of recovery from past

dumping from other sources, while deterioration in 2005-06 and 2006-07 were due to dumping from subject countries.

ii. PVI – Imports of PVI increased significantly in absolute terms. Imports increased significantly in relation to production and consumption in India. With regard to price effect, it is found that imports were significantly undercutting the prices of the domestic industry in the market and selling price of the domestic industry declined significantly over the injury period. As regards consequent impact of dumped imports on the domestic industry, it is noted that performance of the domestic industry deteriorated in terms of production, capacity utilization, market share, inventories, selling price, profits, cash profit and return on investments. Even though domestic sales increased up to 2005-06, the same declined in investigation period even when demand increased and the domestic industry had enhanced capacity in 2004-05. Imports were depressing the domestic prices throughout the injury period.

iii. TDQ – Imports of TDQ increased significantly in absolute terms. Imports increased significantly in relation to imports in India and & production/consumption in India. With regard to price effect, imports were significantly undercutting the prices of the domestic industry in the market. Resultantly, selling price of the domestic industry, which increased upto 2005-06, declined significantly thereafter in investigation period. Resultantly, profits, cash profits and return on investment declined in the investigation period. As regards consequent impact of dumped imports on the domestic industry, it is noted that the product was earlier facing dumping from EU and Taiwan, wherein investigations were initiated and anti dumping duties were imposed on 7th July, 2005. Performance of the domestic industry improved in terms of production, capacity utilization, domestic sales, selling prices, profit/loss, cash profits, return on investments between 2003-04 and 2005-06 as a result of imposition of anti dumping duties on EU and Taiwan. However, the performance in respect of all these factors deteriorated once again in the investigation period with dumping from China. Inventories with the domestic industry increased throughout the period. The domestic industry added capacities in line with increase in demand. However, capacity utilization declined significantly in the investigation period after improving upto 2005-06. The Authority notes that improvements in a number of parameters between 2003-04 and 2005-06 was on account of recovery from past dumping from other sources, while deterioration in investigation period were due to dumping from China.

iv. TMT – Imports of TMT increased significantly in absolute terms and in relation to production/ consumption in India. With regard to price effect, imports were significantly undercutting the price of the domestic industry in the market. As a result, selling price of the domestic industry increased upto 2005-06, but declined in investigation period. Further, while cost of sales increased, selling prices declined. As regards consequent impact of dumped imports on the domestic industry, performance of the domestic industry improved in terms of production, capacity utilization, sales volumes, profits, and return on investments and cash profits up to 2005-06, whereas inventories increased and market share declined. The domestic industry was forced to reduce prices significantly in the investigation period and consequently, profits, return on investments and cash profits declined.

v. CBS – Imports of CBS increased significantly in absolute terms and in relation to production/consumption in India. With regard to price effect, imports were significantly undercutting the price of the domestic industry in the market, selling price of the domestic industry increased from 2003-04 to 2005-06 and declined

significantly during the investigation period. As regards consequent impact of dumped imports on the domestic industry, it is noted that the performance of the domestic industry improved in terms of production, sales volume, profitability, PBIT, cash profit upto 2005-06 but deteriorated during POI (excepting production and sales volume. The capacity utilization during POI declined mainly due to enhanced capacity through production volume increased.

vi. MBT – Imports of MBT increased significantly in absolute terms and in relation to production/consumption in India. With regard to price effect, imports were significantly undercutting the price of the domestic industry in the market. Selling price of the domestic industry increased up to 2005-06 and declined significantly during the investigation period, whereas cost of production increased throughout the injury period. The imports were thus suppressing as also depressing the prices of the domestic industry in the market. As regards consequent impact of dumped imports on the domestic industry, sales of the domestic industry improved upto 2004-05 and declined thereafter. Production and capacity utilization increased significantly in 2004-05 but declined in 2005-06 and thereafter increased again in investigation period, even though the levels were lower than 2003-04 and 2004-05. Whereas cost of sales increased throughout the injury period, the selling price increased upto 2005-06 and declined in investigation period. Resultantly, profits, cash profits and return on investments improved upto 2005-06 and declined in investigation period.

114. On the basis of above analysis, the Authority holds that the performance of the domestic industry deteriorated in terms of production, sales volumes, capacity utilization, market share, factors effecting prices, profits, return on investment, cash profits, thus collectively and cumulatively showing that the domestic industry has suffered material injury.

H.9 Growth

115. The Authority holds that Growth of the domestic industry was positive in respect of each of the subject rubber chemical up to 2005-06. However, growth became negative in respect of each of the subject rubber chemicals during the proposed investigation period. Negative growth has been seen in respect of most of the parameters.

J. Causal Link

i. **PX-13** - Imports of PX-13 were significantly undercutting the prices of the domestic industry in the market. As a direct consequence, while volume of imports increased on one hand, selling prices of the domestic industry declined on the other hand. Consequently, domestic sales, market share, profit/loss, cash profits, return on investment, which were improving till 2005-06, declined once again significantly in the investigation period and inventories with the domestic industry increased. Authority notes that improvements in some parameters between 2003-04 and 2005-06 was on account of recovery from past dumping from other sources, while deterioration in 2005-06 and 2006-07 were due to dumping from subject countries.

ii. **PVI** - Imports of PVI were significantly undercutting the prices of the domestic industry in the market. As a direct consequence, while volume of imports increased on one hand, selling prices of the domestic industry declined on the other hand. Consequently, performance of the domestic industry with regard to production, capacity utilization, inventories, market share, profit/loss, cash profits, return on investment deteriorated over injury period. Significant price undercutting throughout

the period has resulted in significant price depression in the market. Resultantly, whereas domestic sales were increasing till 2005-06, the same declined in the investigation period.

iii. TDQ - Imports of TDQ were significantly undercutting the prices of the domestic industry in the market. As a direct consequence, while volume of imports increased significantly on one hand, selling prices of the domestic industry, which were increasing till 2005-06 after imposition of anti dumping duty on other countries declined significantly in investigation period. Consequently, performance of the domestic industry, which was improving till 2005-06 with imposition of anti dumping duties on other sources, deteriorated once again in terms of production, domestic sales, capacity utilization, inventories, market share, profit/loss, cash profits, return on investment deteriorated during investigation period and inventories with the domestic industry increased. Significant price undercutting throughout the period has resulted in significant deterioration in profits, return on investment and cash profits.

iv. TMT - Imports of TMT were significantly undercutting the prices of the domestic industry in the market. As a direct consequence, while volume of imports increased on one hand, selling prices of the domestic industry, which were increasing till 2005-06, declined in the investigation period. Consequently, performance of the domestic industry with regard to production, capacity utilization, inventories, market share, profit/loss, cash profits, return on investment deteriorated over injury period.

v. MBT - Imports of MBT were significantly undercutting the prices of the domestic industry in the market. As a direct consequence, while volume of imports increased on one hand, selling prices of the domestic industry, which were increasing till 2005-06, declined in the investigation period even when cost of production increased throughout the injury period. Consequently, performance of the domestic industry with regard to production, capacity utilization, inventories, market share, profit/loss, cash profits, return on investment deteriorated. As a result of significant price undercutting, profits, cash profits and return on investments continued to decline in POI.

vi. CBS - Imports of CBS were significantly undercutting the prices of the domestic industry in the market. As a direct consequence, while volume of imports increased on one hand, selling prices of the domestic industry, which increased between 2004-05 and 2005-06, declined in the investigation period. Consequently, performance of the domestic industry, which was improving till 2005-06, declined significantly in the investigation period with regard to profit/loss, cash profits, and return on investment.

116. The Authority would conclude on causal link on receipt of comments to the disclosure statement.

K. Examination of Other Known Factors

K.1 Volume and prices of imports from other sources

117. The Authority holds that the volume and value of imports from other countries are either de-minimus or the prices are significantly higher. In fact, in all the subject rubber chemicals, share of other countries (in imports in India) declined significantly in respect of PX-13 (6-PPD), MBT and TDQ and that of subject countries increased significantly. The

claim of the petitioner that imports from other countries are not causing injury to the domestic industry is upheld by the Authority.

K.2 Contraction in demand and / or change in pattern of consumption

118. The Authority holds that demand for the subject rubber chemicals is on the increase. Possible decline in the demand has, therefore, not contributed to any injury to the domestic industry. At the same time, in spite of rising demand in the market, sales of the domestic industry either in absolute term or relative to consumption has declined.

K.3 Trade restrictive practices of and competition between the foreign and domestic producers

119. The Authority holds that material injury has been caused to domestic industry from dumped imports. The petitioner is producing the subject rubber chemicals for the past several years. The technology adopted by domestic industry is comparable to the technology adopted by other player's world-over. There is no significant difference in the manufacturing process. In fact, minor developments in processes apart, technology for production of various rubber chemicals, including subject rubber chemicals, are fairly matured, established and standardized, with little technological innovations and developments.

120. The Authority holds that there is no restricted practice prevalent in the industry which could be attributed to the injury to the domestic industry.

K.4 Development of technology

121. The technology as also production process for producing various rubber chemicals is fairly stabilized with little technical or technological developments. There is hardly any technological advancement.

K.5 Export performance

PX 13	Unit	2003-04	2004-05	2005-06	POI
Export Sale	MT	***	***	***	***
Trend	Indexed	100.00	103.92	119.56	101.28
<u>MBT</u>					
Export Sale	MT	***	***	***	***
Trend	Indexed	100.00	137.21	28.01	128.56
<u>CBS</u>					
Export Sale	MT	***	***	***	***
Trend	Indexed	100.00	97.73	97.78	166.21
<u>PVI</u>					
Export Sale	MT	***	***	***	***
Trend	Indexed	100.00	90.68	100.53	93.24
<u>TDQ</u>					
Export Sale	MT	***	***	***	***
Trend	Indexed	100.00	91.65	109.03	108.93
<u>TMT</u>					
Export Sale	MT	***	***	***	***
Trend	Indexed	100.00	116.47	91.21	125.83

122. The petitioner has segregated injury caused due to adverse export performance and injury caused in the domestic market due to dumping in Indian market. Thus, the Authority concludes that the injury being claimed is the injury being caused due to performance in the domestic market alone.

K.6. Performance of other products of the Domestic Industry

123. Performance of other Rubber Chemicals being produced and sold by the Company has also deteriorated, reasons for which are dumping of those products. Petitioner is facing dumping in respect of some other Rubber Chemicals also. However, different rubber chemicals are not like articles. Further, Annexure II to the Rules provides that when separate information in respect of like product can be provided separately, the same should be considered as the relevant information. It is only when separate information in respect of product under consideration and other products cannot be combined that the Rules authorize inclusion of other products also in the injury analysis. Following the legal provision, the authority has not included injury caused in other products in the injury information being provided in respect of the products for which the present petition is being filed.

124. No other factor which could have possibly caused injury to the domestic industry has been brought to the knowledge of Authority.

L. Conclusion On Causation

125. On the basis of the above examination the Authority concludes that the subject goods exported from the subject countries are at prices below their normal values, Non Injurious Price of the domestic industry and the net sales realization of the subject goods of the applicants, and have caused injury to the domestic industry indicating causal links between dumping of subject goods and injury to the domestic industry. Significant increase in the volume of dumped imports has resulted in significant decline in the market share of domestic industry. It is further seen that decline in market share of domestic industry as a consequence of increase in market share of subject imports from the subject country prevented the domestic industry from increasing their sales commensurate to growth in demand. As a result, sales of domestic industry during POI did not increase to such an extent that domestic industry could have optimally utilized its capacity. Consequently, production, sales and capacity utilization of the domestic industry suffered as a result of the decline in the market share of the domestic industry. Significant price undercutting caused by dumped imports prevented the domestic industry from increasing its prices. Resultantly, profit, cash flow and return on investment of the domestic industry deteriorated in the POI. Significant price-undercutting and substantial increase in the volume of dumped imports adversely affected the performance of the domestic industry in terms of profits, cash flow, and return on investment, these parameters deteriorated in POI after improving till 2005-06.

126. The Authority, therefore, concludes that the dumped imports originating in the subject country have caused material injury to the domestic industry within the meaning of Rule 11 of Anti-dumping Rules and article 3.5 of Agreement of Anti-dumping.

M. FINAL FINDINGS:

127. Having regard to the issues raised, information provided and submissions made by the interested parties and facts available before the Authority through the submission of interested parties including those made as comments to the disclosure statement or otherwise as recorded in the above findings and on the basis of the above analysis of the state of current dumping and injury, the Authority concludes that:

- i. Imports originating in the subject country are taking place at dumped prices and the same have caused material injury to the domestic industry
- ii. Subject goods exported from the subject countries are at prices below their normal values, Non Injurious Price of the domestic industry and the net sales realization of the subject goods of the applicants, and have caused injury to the domestic industry
- iii. Decline in market share of domestic industry as a consequence of increase in market share of subject imports from the subject country prevented the domestic industry from increasing their sales commensurate to growth in demand
- iv. Significant price-undercutting and substantial increase in the volume of dumped imports adversely affected the performance of the domestic industry in terms of profits, cash flow, and return on investment.
- v. Significant increase in volume of dumped imports from the subject country (both in absolute terms as well as in relation to the share in demand) has resulted in significant decline in market share of the domestic industry

128. Having regard to the lesser duty rule followed by the authority, anti-dumping duty equal to the lesser of margin of dumping and margin of injury is recommended, denominated in Indian Rupees, so as to remove the injury to the domestic industry. Accordingly, anti-dumping duty equal to the amount indicated in Col 9 of the table below is recommended to be imposed on all imports of subject goods originating in or exported from the subject countries.

N. Duty Table

S.No.	Sub. Heading	Description	Specification	Country Of origin	Country of Export	Producer	Exporter	Amount	Unit of Measurement	Currency
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11
1	2902, 2907, 2909, 2917, 2921, 2925, 2930, 2933, 2934, 2935, 2942, 3811, 3812 0R 3815	Rubber chemical PX-13	Sl.1 of Table below	China	China	<u>Sinorgchem Co. Shandong</u>	<u>Sinorgchem Co. Shandong</u>	42.70	Per kg	INR
2	- do -	do	do	China	Any	Any other than above	Any other than above	60.59	Per kg	INR
3	- do -	do	do	Any other than Korea	China	Any other than above	Any other than above	60.59	Per kg	INR
4	- do -	do	do	Korea	Korea	Kumho Petrochemicals Co Ltd.	Kumho Petrochemicals Co Ltd.	10.35	Per kg	INR
5	- do -	do	do	Korea	Any	Any other than above	Any other than above	11.31	Per kg	INR

6	- do -	do	do	Any other than China	Korea	Any other than above	Any other than above	11.31	Per kg	INR
7	- do -	Rubber chemical MBT	Sl.2 Table below	of China	China	Shandong Shanxian Chemical Co. Ltd.	Shandong Shanxian Chemical Co. Ltd.	24.96	Per kg	INR
8	- do -	do	do	China	Any	Any other than above	Any other than above	26.06	Per kg	INR
9	- do -	do	do	Any	China	Any other than above	Any other than above	26.06	Per kg	INR
10	- do -	Rubber chemical TDQ	Sl.3 Table below	of China	Any	Any	Any	18.22	Per kg	INR
11	- do -	do	do	Any	China	Any	Any	18.22	Per kg	INR
12	- do -	Rubber chemical TMT	Sl.4 Table below	of China	China	Shandong Shanxian Chemical Co. Ltd.	Shandong Shanxian Chemical Co. Ltd.	24.13	Per kg	INR
13	- do -	do	do	China	Any	Any other than above	Any other than above	28.86	Per kg	INR
14	- do -	do	do	Any	China	Any other than above	Any other than above	28.86	Per kg	INR
15	- do -	Rubber chemical CBS	Sl.5 Table below	of China	China	Shandong Shanxian Chemical Co. Ltd.	Shandong Shanxian Chemical Co. Ltd.	36.21	Per kg	INR
16	- do -	- do -	do	China	Any	Any other than above	Any other than above	40.10	Per kg	INR
17	- do -	- do -	do	Any	China	Any other than above	Any other than above	40.10	Per kg	INR
18	- do -	Rubber chemical PVI	Sl.6 Table below	of China	China	Any	Shandong Shanxian Chemical Co. Ltd.	13.05	Per kg	INR
19	- do -	- do -	do	China	China	Shandong Yanggu Huatai Chemical Co. Ltd.	Shandong Yanggu Huatai Chemical Co. Ltd.	20.91	Per kg	INR
20	- do -	- do -	do	China	Any	Any other than above	Any other than above	27.91	Per kg	INR
21	- do -	- do -	do	Any	China	Any	Any	27.91	Per kg	INR

Regarding specifications as(Col.. 4 above) ,following table shall be applicable

	Generic name	Classification	Other trade name/brand names
1	6PPD	3810, 3812,2921, 9801	N- (1, 3-dimethyl butyl)-N' Phenyl – p –phenylenediamine, or <i>6C, or Piflex 13 , Sirantox 4020, Antioxidant 4020, Kumhonax 13 ,Vulcanox 4020</i>
2	MBT	2934, 2942,3812	2-Mercapto Benzothiazole, or Accelerator M , Accelerator MBT
3	TMQ	2921, 2933, 2934, 3812,9801	Polymerized 2,2, 4-Trimethyl-1,2-dihydroquinoline, or TDQ or Antioxidant RD
4	TMT	2930,2942 3812	Tetramethylthiuram Disulfide ,or Accelerator TMTD , Thiuram C
5	CBS	2934, 3812	N-cyclohexyl-2-benzothiazole sulphenamide, or Accelerator CZ. Accelerator HBS , CBS
6	PVI	2921,2925 2935,3812	N-(Cyclohexylthio)phthalimide , or Anti Scorch Agent CTP , PVI

129. Subject to above, the Authority confirms the provisional findings Notification No. 14/5/2007-DGAD dated 28th February, 2008 and corrigendum notification dated 27th March 2008, and recommends imposition of the anti-dumping duty as in Para 128 above and the duty table as above from the date of imposition of provisional anti-dumping duty.”

130. An appeal against the orders of the Central Government that may arise out of this recommendation shall lie before the Customs, Excise and Service tax Appellate Tribunal in accordance with the relevant provisions of the Act.

R. Gopalan
The Designated Authority