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F.No. 6/20/2020-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001

Date: 11th November, 2020

Preliminary Findings Notification

Case No. AD-OI-17/2020

Subject: Anti-dumping Investigation concerning imports of “Rubber Chemical PX-13” from
China PR, Korea RP and USA - Preliminary Findings

A. BACKGROUND OF THE CASE

1. M/s NOCIL Limited (hereinafter referred as “Applicant”) has filed an application, through TPM Consultants, before the Designated Authority in accordance with the Customs Tariff Act 1975 as amended from time to time (hereinafter also referred as the “Act”) and the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter also referred as the “Anti-Dumping Rules” or “Rules”) for initiation of anti-dumping investigation concerning the imports of Rubber Chemical PX-13 (hereinafter also referred to as the “product under consideration” or the “subject goods”) from China PR, Korea RP and United States of America (hereinafter also referred to as the “subject countries”).
2. The Authority, on the basis of a prima facie evidence submitted by the Applicant, issued a public notice vide Notification No. 06/20/2020-DGTR dated 27th May, 2020, published in the Gazette of India, initiating the subject investigation in accordance with Section 9A of the Act read with Rule 5 of the Anti-Dumping Rules to determine the existence, degree and effect of the alleged dumping of the subject goods originating in or exported from subject countries and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

B. PROCEDURE

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

- a. The Authority notified the Embassies of the subject countries in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Sub-Rule (5) of Rule 5 supra.
- b. The Authority issued a public notice dated 27th May, 2020 published in the Gazette of India Extraordinary, initiating anti-dumping investigation concerning import of subject goods from subject countries.
- c. The Authority sent a copy of the initiation notification dated 27th May, 2020, to the Embassies of the subject countries in India, the known producers and exporters from the subject countries, known importers, importer/user Associations and other interested parties, as per the addresses made available by the Applicant. The interested parties were advised to provide relevant information in the form and manner prescribed and make their submissions known in writing within the prescribed time-limit.
- d. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Embassies of the subject countries in India in accordance with Rule 6(3) of the Anti-Dumping Rules.
- e. The Embassies of the subject countries in India was also requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/ exporters was also sent to it along with the names and addresses of the known producers/exporters from the subject countries.
- f. The Authority, upon request made by the interested parties, granted extension of time to the interested parties to file their response as well as submissions. Vide communication dated 30th June, 2020, the time was extended upto 24th July 2020. Vide communication dated 23rd July, 2020, the time was extended upto 7th August, 2020.
- g. The Authority sent questionnaires to the following known producers/ exporters in the subject countries in accordance with Rule 6(4) of the Rules:
 - i. China Sunsine Chemical Holdings Ltd.
 - ii. Sennics Co., Ltd. – Sinochem International (Jiangsu Sinorgchem Technology Co., Ltd.)
 - iii. Shandong Yanggu Huatai Chemical Co. Ltd.
 - iv. Changde Dingyuan Chemical Industrial Limited
 - v. Dongying Bo Chen Chemical Co. Ltd.
 - vi. Jinan Runguan Chemical Co. Ltd.
 - vii. Nanjing Chemical Plant (NCP)
 - viii. Zhejiang Yongjia Chemical Plant
 - ix. Henan Kailun Chemical Co., Ltd.
 - x. Rongcheng Chemical General Factory Co. Ltd.
 - xi. Dalian Richon Chem Co., Ltd.
 - xii. Zhenjiang No. 2 Chemical Factory
 - xiii. Hebei Haufeng Chemical Group
 - xiv. Shenzhen Huaren Industrial Co.
 - xv. Yixing Dongfang Fince Chemicals
 - xvi. Zhejina Yueging Ultrafine Powders & Chemicals Co. Ltd.

- xvii. Lion Industries Ltd.
- xviii. Linkwell Rubber Chemicals Co. Ltd.
- xix. Kemai Chemical Co. Ltd.
- xx. Hebi Huaxia Auxiliary Co., Ltd.
- xxi. Qingdao Zhongjian Rubber Chemicals Co. Ltd.
- xxii. Northeast Auxiliary Chemical Industry Co. Ltd.
- xxiii. Puyang Willing Chemicals Co. Ltd.
- xxiv. Zhejiang Huangyan Zhedong Rubber Auxiliary Co. Ltd.
- xxv. Dongying Wantong Rubber Auxiliary Co. Ltd.
- xxvi. The Organic Chemical Industry Limited, Company of Tongling Chemical Industry Group
- xxvii. Shangyu Lixing Chemical Co. Ltd.
- xxviii. Tianjin East Richon Rubber Additives Co. Ltd.
- xxix. Donglong Industry Limited, Company of Jiangsu
- xxx. Jincheng Sky Success Chemical Industry Co. Ltd.
- xxxi. Hebei Hanxing Chemical Co. Ltd.
- xxxii. Jingcheng Tiancheng Chemical Co.
- xxxiii. Hebi Uhoo Rubber Chemicals co. Ltd.
- xxxiv. Kumho Petrochemicals Co. Ltd.
- xxxv. Daewoo International Corporation
- xxxvi. Lanxess Corporation USA

- h. In response to the above notification, following exporters/ producers and their related exporters/traders have responded and submitted exporter's questionnaire responses:
 - i. Lanxess Corporation USA (Lanxess)
 - ii. Kumho Petrochemical Co. Ltd. Korea RP (Kumho)
 - iii. Sennics Co., Ltd. Shandong, China PR
 - iv. Sennics Co., Ltd. Tai'an, China PR
 - v. Sennics Singapore Pte. Ltd.
 - vi. Sennics Inc., USA
 - vii. Sennics Co., Ltd., China PR
 - viii. Posco International Cooperation, Korea (Posco)
- i. The Authority sent questionnaires to the following known importers and users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules.
 - i. Lanxess India P Ltd
 - ii. PMC Rubbchem P Ltd.
 - iii. Appollo Tyres
 - iv. ATC Tires Private Limited
 - v. Birla Tyre
 - vi. Balkrishna Industries Limited
 - vii. Bridgestone India Private Limited
 - viii. J.K. Fenner (India) Limited
 - ix. CEAT Ltd.

- x. Ralson
 - xi. MRF Ltd.
 - xii. JK Tyres
 - xiii. TVS Srichakra
 - xiv. Goodyear India Ltd.
 - xv. Malhotra Rubbers Ltd.
 - xvi. Metro Tyres Limited
 - xvii. Speedways Rubber Company
- j. In response to the above notification, following importers or users have responded and submitted importer/user questionnaire responses:
- i. M/s Lanxess India Pvt. Ltd.
 - ii. M/s Rishiroop Limited
 - iii. M/s Apollo Tyres Limited
 - iv. M/s CEAT Limited
 - v. M/s JK Tyre & Industries Limited
 - vi. M/s MRF Limited
- k. The Authority sent a copy of the initiation notification dated 27th May, 2020 to the following known Associations of the subject goods in India.
- i. Automotive Tyre Manufacturers' Association (ATMA)
- l. In response to the above notification, following Associations have responded to the initiation notification:
- i. Automotive Tyre Manufacturers' Association (ATMA)
 - ii. All India Rubber Industries Association (AIRIA)
- m. The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties.
- n. The period of investigation for the purpose of present investigation is 1st April 2019 to 31st March 2020 (12 months). The injury examination period has however been considered as the period from 1st April 2016 - 31st March 2017, 1st April 2017 – 31st March 18, 1st April 2018 – 31st March 2019, and the period of investigation.
- o. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide transaction-wise details of imports of subject goods for the past three years and the period of investigation, which has been received by the Authority. The Authority has relied upon DGCI&S data for computation of the volume of imports and required analysis after due examination of the transactions.
- p. The non-injurious price (hereinafter referred to as 'NIP') based on the cost of production and reasonable profits the subject goods in India, having regard to the information furnished by the domestic industry in accordance with Generally Accepted Accounting Principles (GAAP) and Annexure III to the Anti-Dumping Rules, has been worked out so as to ascertain whether

- anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- q. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
 - r. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the present preliminary findings on the basis of the facts available.
 - s. The Authority has considered all the arguments raised and information provided by all the interested parties at this stage, to the extent the same are supported with evidence and considered relevant to the present investigation. The Authority will further examine the evidentiary documents submitted by the interested parties subsequent to preliminary findings, which will form the basis for conclusions at the time of final findings.
 - t. ‘****’ in this notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
 - u. The exchange rate adopted by the Authority for the subject investigation is 1 US \$= Rs. 71.65.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

4. At the stage of initiation, the product under consideration was defined as-

“The product under consideration is “Rubber Chemicals PX-13” (hereinafter also referred to as PX-13) also known as 6PPD, Antioxidant 6PPD, Kumanox 13, Santoflex 6PPD, Sirantox 6PPD, Vulkanox 4020, Antioxidant 4020, Dussantox 6PPD, Antage 6C, N-1,3-Dimethylbutyl)-N'-Phenyl-P-Phenylenediamine, etc.

PX-13 is an alkyl-aryl-PPD antidegradant most widely used in the tyre and non-tyre sector of the rubber industry. PX-13 offers excellent resistance to rubber vulcanizates against degradative forces such as ozone (static as well as dynamic), flex-cracking and fatigue, oxidative heat ageing, metal-ion catalyzed oxidative ageing, UV light and weathering. It is used as antioxidants in treating natural rubber, synthetic rubber (SBR, Butadiene Rubber, Nitrile Rubber, Carboxylated Rubber) and other synthetic rubber-based compounds used for manufacture of various rubber products to achieve the desired life cycle of the rubber product. PX-13 is manufactured by reductive alkylation of 4ADPA and MIBK.

The product is classified under the Chapter 38 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) under the tariff custom classification 3812. However, there are also imports for the product under consideration under the Chapter 29 of the First Schedule. The customs classification is only indicative and is not binding on the scope of the product under consideration.”

C.1. Submissions of the domestic industry

5. The submissions made by the domestic industry with regard to product under consideration and like article and considered relevant by the Authority are as follows:
 - i. The product under consideration in the Application is “Rubber Chemical PX-13”. PX-13, also known as 6PPD, Antioxidant 6PPD, Kumanox 13, Santoflex 6PPD, Sirantox 6PPD, Vulkanox 4020, Antioxidant 4020, Dussantox 6PPD, Antage 6C, N-1,3-Dimethylbutyl)-N’-Phenyl-P-Phenylenediamine, etc.
 - ii. PX-13 is an alkyl-aryl-PPD antidegradant most widely used in the tyre and non-tyre sector of the rubber industry. PX-13 offers excellent resistance to rubber vulcanizates against degradative forces such as ozone (static as well as dynamic), flex-cracking and fatigue, oxidative heat ageing, metal-ion catalyzed oxidative ageing, UV light and weathering. PX-13 pastilles are easy to handle on all types of weighing systems and quickly disperse in rubber compounds even at lower processing temperatures.
 - iii. The product is classified under the Chapter 29 and 38 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975). The PUC is being imported under the 8-digit HS codes, 29215130, 29215190, 38121000, 38123030, 38123910, 38123990 and 38123100. The duties have always been recommended by the Authority at 4-digit levels in previous findings of Rubber Chemicals.
 - iv. The Applicant has produced like article to the imported products.

C.2. Submissions of other interested parties

6. Following submission have been made by the exporters/other interested parties with regard to the product under consideration and like article.
 - i. The liquid/melt form is not like article and hence should be excluded from the scope of subject goods.
 - ii. The company has exported liquid form to India, whereas has sold both liquid and solid form in India.
 - iii. The liquid form exported to India was entirely sold to affiliated company who processed it further and sold solid form to eventual consumers in India.

C.3 Examination by the Authority

7. The product under consideration is “Rubber Chemicals PX-13” also known as 6PPD, Antioxidant 6PPD, Kumanox 13, Santoflex 6PPD, Sirantox 6PPD, Vulkanox 4020, Antioxidant 4020, Dussantox 6PPD, Antage 6C, N-1,3-Dimethylbutyl)-N’-Phenyl-P-Phenylenediamine.
8. PX-13 is an alkyl-aryl-PPD antidegradant most widely used in the tyre and nontyre sector of the rubber industry. PX-13 offers excellent resistance to rubber vulcanizates against degradative forces such as ozone (static as well as dynamic), flexcracking and fatigue, oxidative heat ageing, metal-ion catalyzed oxidative ageing, UV light and weathering. It is used as antioxidants in treating

natural rubber, synthetic rubber (SBR, Butadiene Rubber, Nitrile Rubber, Carboxylated Rubber) and other Page 2 of 6 synthetic rubber-based compounds used for manufacture of various rubber products to achieve the desired life cycle of the rubber product. PX-13 is manufactured by reductive alkylation of 4ADPA and MIBK.

9. The product is classified under the Chapter 38 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) under the tariff custom classification 3812. However, the product under consideration has also been imported under Chapter 29 of the First Schedule. The customs classification has been considered only indicative and not binding on the scope of the product under consideration. Imports of the product under consideration wherever reported have been considered for the purpose of present determination.
10. As regards exclusion of liquid/melt form, the Authority notes that the importer has imported liquid form from its affiliated company in USA, and the affiliated exporter/producer in USA has sold both liquid and solid form in domestic market. The importer in India is a producer of PX-13. The company has processed the imported liquid PX-13 into solid and has thereafter sold to the eventual consumers, along with PX-13 produced by the company. Thus, as far as consumer of the product under consideration are concerned, they have bought solid form of PX-13. Such being the case, the liquid and solid form cannot be treated as two different articles and liquid form cannot be excluded from the scope of the product under consideration.
11. It is seen from the information available on record that the product produced by the domestic industry is like article to the goods imported from the subject countries. The product produced by the domestic industry and imported from subject countries is comparable in terms of physical & chemical characteristics, manufacturing process & technology, functions and uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers have used and are using the two interchangeably.

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1 Submissions of the domestic industry

12. The domestic industry has made the following submissions with regard to the scope of domestic industry and standing:
 - a. The Applicant NOCIL Limited account for 'a major proportion' of Indian production of subject goods in India. The applicant accounts for 70.13% of the total Indian production for the subject goods in India.
 - b. The Applicant has not imported the subject goods in the period of investigation from the subject countries.
 - c. The Applicant is not related to any exporters in the subject countries or importers of the subject goods in India.

D.2. Submissions of other interested parties

- a. Lanxess cannot not be excluded from the scope of the domestic industry merely on a ground that it has imported the PUC from a subject country, without determining the status of the quantum of imports made by Lanxess
- b. Lanxess is importing 4ADPA cannot change its status as a domestic manufacturer of the PRODUCT UNDER CONSIDERATION
- c. NOCIL on its own will not be able to fulfil the requirement of ‘major proportion’ under the Indian AD rules. Request to re-assess NOCIL’s standing as the domestic industry including Lanxess’ production in the total Indian production and whether it constitutes major proportion in the total Indian production.

D.3. Examination by the Authority

13. Rule 2(b) of the Anti-Dumping Rules defines domestic industry as under:

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

14. The Application has been filed by M/s NOCIL Limited. The Applicants has certified that they have neither imported the PUC from the subject countries in the POI nor they are related to any exporter or producer of PUC in the subject countries or any importer of the PUC in India. Considering the information on record, the Applicant accounts for a major proportion of the Indian production.
15. The product under consideration is produced in India by following companies
 - i. Lanxess India P Ltd
 - ii. PMC Rubbchem P Ltd
16. It is seen from the information provided by the Lanxess that the company has imported significant volumes of the product under consideration from USA. It is also noted that the company is related to exporter and is itself an importer, and the volume of such imports is quite significant (entirety of the imports from US are by this company). The Authority has considered Laxess as a domestic producer, but not domestic industry within the meaning of Rule 2(b). As regards submissions made by interested parties concerning eligibility of Lanxess, India, the Authority notes that ineligibility of Lanxess India is not on account of import of 4-ADPA. The same is on account of imports of PX-13 and its relationship with the exporter from USA.

17. The Production of applicant accounts of 71% in gross Indian production (including Lanxess) and 100% after excluding production of Lanxess.
18. Accordingly, the Authority holds that the Applicant constitutes domestic industry within the meaning of Rule 2(b) of the Rules. Further, the Authority considers that the application satisfied the criteria of standing in terms of Rule 5(3) of the Rule.

E: Other Issues :

CONFIDENTIALITY

E.1. Submissions of the other interested parties

19. The domestic industry has failed to appropriately analyse the parameters under the Trade Notice 10/2018, it has also failed to provide the actual figures of some specified parameters in violation of the Trade Notice 10/2018.
20. The domestic industry has failed to appropriately analyse the parameters under the Trade Notice 10/2018, it has also failed to provide the actual figures of some specified parameters in violation of the Trade Notice 10/2018. The domestic industry should be directed to refile the trend, performance parameters and data considering the actuals for March 2020, which is now available.

E.2. Examination by the Authority

21. The Authority made available non-confidential version of the information provided by various interested parties to all interested parties through the public file containing non- confidential version of evidences submitted by various interested parties for inspection as per Rule 6(7).
22. With regard to confidentiality of information, Rule 7 of the Rules provide as follows:

“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule(2) of rule 12, sub-rule(4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.

(2) The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either

unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.”

23. As regards the argument of excessive confidentiality claims, the Authority examined the confidentiality claims of the interested parties and on being satisfied allowed the claim on confidentiality. The Authority considers that an information which is by nature confidential (for example, because its disclosure would be of significant competitive advantage to a competitor or because its disclosure would have a significantly adverse effect upon a person supplying the information or upon a person from whom that person acquired the information), or which is provided on a confidential basis by parties to an investigation shall, upon good cause shown, should be treated as such by the authority. Such information cannot be disclosed without specific permission of the party submitting it. The interested party has not shown how the domestic industry has claimed resorted to excessive confidentiality.
24. As regards the argument of information on period of investigation, the same has been filed by the domestic industry. The same has been disclosed to the interested parties. The Authority has considered the information of entire period of investigation in this findings.

F. MARKET ECONOMY TREATMENT, NORMAL VALUE, EXPORT PRICE AND DETERMINATION OF DUMPING MARGIN

F.1. Submissions of the domestic industry

25. Following submissions have been made by the domestic industry with regard to market economy, normal value, export price and dumping margin are as follows:
 - i. Efforts were made to get evidence of the price of subject goods in Korea RP and USA.
 - ii. However, normal value could not be determined on the basis of price or constructed value in an appropriate third country for the reason that the relevant information is not publicly available and that the product does not have a dedicated customs classification. Therefore, the applicant has claimed consideration of normal value for Korea RP and USA on the basis of constructed cost of production with the addition of reasonable profit margins.
 - iii. Since it is an established fact that Korean Kumho (the sole known manufacturer of PX-13 in Korea RP) is sourcing its requirement of 4ADPA from China PR, the 4ADPA price of Korea RP cannot be adopted for normal value determination.
 - iv. The Designated Authority shall follow Para 1-6 of Annexure I for determination of normal value only if the responding Chinese companies establish that their costs and price information is such that individual normal value and dumping margin can be determined. If the responding Chinese companies are not able to demonstrate that their costs and price information can be adopted, the Designated Authority shall reject the claim of individual dumping margin

- v. Since the Chinese producers are not entitled to market economy treatment, Para 7 of Annexure I may be followed to determine the normal value.
- vi. Since the normal value could not be determined on the price or constructed value in a market economy third country for the reason that the relevant information is not publicly available, the Applicant claims the determination of normal value for China PR on the basis of price payable in India duly adjusted.
- vii. The Authority should consider actual cost of production for determination of normal value. Normal value should not be based on any normation – whether for raw materials or for conversion costs while determining normal value
- viii. Since Lanxess USA is exporting the product under consideration to Lanxess India, it is a related party transaction and therefore the export price of these transactions cannot be considered for export price determination. Export price needs to be constructed from resale price of Lanxess India
- ix. The export price from subject countries have been adjusted for the following expenses, which the exporters from the subject countries have incurred for exporting to India, i.e., Ocean freight, marine insurance, commission, VAT (in case of China PR only), inland freight, port expenses and bank charges.
- x. Additionally, for USA, the resale price has also been adjusted for profits, share in SGA expenses, further processing estimates, packing cost, freight expenses from port to factory, landing charges and customs duty.
- xi. Considering the normal value and export price, the dumping margin has been determined at ex-factory level. The dumping margins so determined from the subject countries are above de-minimus levels, significant and substantial.

F.2. Views of the interested parties

26. It has been submitted that Dumping margin should be determined based on the questionnaire response filed by the producers/exporters and actual procurement price of raw material. Rejection of raw material consumption price shall be in violation of Article 2.2.1.1 of AD Agreement. The fact that Chinese producers are non-market economy companies does not imply that the purchase price can be rejected. CESTAT decision upholding rejection of actual cost of 4ADPA in the previous investigation is not relevant, as it is contrary to the WTO jurisprudence.

F.3. Examination by Authority

27. Under section 9A (1) (c), normal value in relation to an article means:

- i) The comparable price, in the ordinary course of trade, for the like article, when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or*
- ii) When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market*

situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either:

- a. comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or*
- b. the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6);*

28. The Authority sent questionnaires to the known producers/exporters from the subject countries, advising them to provide information in the form and manner prescribed by the Authority. The following producers/exporters have co-operated in this investigation by filing the prescribed questionnaire responses:
- i. M/s Lanxess Corporation USA
 - ii. M/s Kumho Petrochemical Co. Ltd.
 - iii. M/s Sennics Co., Ltd. Shandong, China PR
 - iv. M/s Sennics Co., Ltd. Tai'an, China PR
 - v. M/s Sennics Singapore Pte. Ltd.
 - vi. M/s Sennics Inc., USA
 - vii. M/s Sennics Co., Ltd., China PR
 - viii. M/s Posco International Cooperation, Korea RP
29. The normal value and export price for all producers/exporters from the subject countries have been determined as below.

F.4. Determination of normal value

Normal Value in Korea

Kumho Petrochemical Co. Ltd. (“KKPC”) or (“Kumho”)

30. M/s Kumho Petrochemical Co. Ltd. (“KKPC”) is a limited liability company established under the Korean Commercial Law. The company has filed Exporter’s Questionnaire response furnishing the requisite information.
31. It is noted from the response that M/s KKPC has sold the subject goods to directly to unrelated customers in the domestic market. It is also noted that KKPC has exported the subject goods directly to India as well as indirectly through an unrelated Korean trader namely, POSCO International Corporation. M/s POSCO International Corporation (“POSCO”) has also provided all the relevant information in the prescribed questionnaire format.

Normal Value

32. M/s KKPC has submitted Exporter's Questionnaire response furnishing details of domestic sales and cost of sales of subject goods during the POI. During the POI, M/s KKPC has sold the subject goods directly to unrelated customers in the domestic market.
33. The Authority notes that 4-ADPA is a major raw material in production of the product under consideration. The information provided by the petitioner domestic industry and Kumho show that 4ADPA constitutes significant part of the total cost of production of PX-13. As per information available on record, 4-ADPA is being produced only by Chinese and Indian producer. Information provided by responding producers showed that Kumho have sourced 4-ADPA from China PR. Questionnaire response filed by Chinese producers show that they produce their own 4-ADPA. The responding producers from China PR have not claimed market economy treatment. Further, no information/evidence has been provided by Kumho to show that the purchase price of 4-ADPA reasonably reflects the costs associated with production of PX-13. In view of this, it is noted that the use of actual purchase price of 4ADPA by KKPC from the said non-market economy company would not reasonably reflect the cost associated with production of PX13 (6 PPD). Further, there are no imports of 4ADPA to India from a market economy third country during the POI in the present investigation.
34. The Authority, therefore, provisionally concludes that the use of actual purchase price of 4ADPA by KKPC from the said non-market economy company would not reasonably reflect the cost associated with production of PX13 (6 PPD), and therefore, the consumption price of 4-ADPA reported by Kumho Petrochemicals cannot be adopted for the purpose of determination of cost of production. Further, there are no imports of 4ADPA to India from a market economy third country during the POI in the present investigation. However, during the process of investigation, the export price of 4ADPA from India to USA has been made available by the interested party, and the same has provisionally been accepted as the prevailing international price of 4ADPA during the POI, and cost of production of Kumho for the product under consideration has been modified accordingly. Rest of the cost of production of Px-13 as claimed by Kumho has been provisionally accepted pending further verifications. The revised cost of sales of PX-13 (6PPD) so constructed has been taken into account for ordinary course of trade ("OCT") test.
35. On the basis of cost of sales provisionally determined as above, the Authority has carried out ordinary course of trade ("OCT") test, which indicates that less than 80% of domestic sales made during the POI were profitable. Accordingly, profitable domestic sales have been considered for determination of normal value. It is noted from the response that M/s KKPC, during the POI, has sold *** MT of subject goods at average invoice price of KRW *** per kg (USD *** per kg) in the domestic market.

36. M/s KKPC has claimed adjustments on account of inland transportation, credit cost, packing cost and level of trade. The Authority notes that KKPC has not provided reasonable evidences to substantiate level of trade adjustment in the EQR submitted. Therefore, level of trade adjustment has not been considered for the normal value determination. Other adjustments claimed by M/s KKPC have been provisionally accepted for determining the normal value at ex-factory level. The ex-factory normal value so determined has been mentioned in the dumping margin table below.

Normal Value in USA

i. Lanxess Corporation

37. M/s. Lanxess Coporation has filed response to exporter's questionnaires, in the prescribed formats. From the data filed by the M/s Lanxess Corporation, the cooperating producer and exporter from USA, it is noted that they have exported the subject goods directly to India to their related party Lanxess India in liquid form. It is further noted that in India, the related party has sold the material in flake form only and therefore, it is considered appropriate to compare Flake to Flake only for the purpose of dumping margin and injury margin. The questionnaire response has been examined and it is noted that the respondent has provided domestic sales price details of the subject goods in respective Appendix. It is also noted that though there are some deficiencies in the response, there is reasonably sufficient information for the purpose of preliminary determination. Therefore, pending further investigation, the Authority has considered it appropriate to determine normal value for the exporter based on information filed by the exporter and, where necessary, facts available to the extent the exporter has not provided relevant information. It is noted that M/s. Lanxess Corp., USA has sold *** MT of subject goods in the domestic market. Out of this *** MT *** MT is liquid and remaining *** MT of flakes in the market. Based on their response, it is noted that their domestic sales are in sufficient quantity in the domestic market. In order to determine the normal value, the Authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to cost of production of subject goods. In case profit making transactions are more than 80% then the Authority has considered all the transactions in the domestic market for the determination of the normal value. Where the profitable transactions are less than 80%, only profitable domestic sales are taken into consideration for the determination of normal value. Based on the ordinary course of trade test, only profitable domestic sales have been taken into account for determination of normal value, as it is seen that more than 20% sales are below cost of production.
38. For arriving at the ex-factory normal value, the Authority has considered adjustments (in USD/MT) on account of inland freight and credit cost from the invoice price of the responding producer. Accordingly, the ex-factory normal value is calculated and mentioned in the dumping margin table.

ii. Non-Cooperative exporters in USA

39. The Authority notes that no other exporter/producer from USA has responded to the Authority in present investigation. For all the non-cooperative exporters/producers in USA, the Authority provisionally determines the normal value on the basis of facts available information, and the same is mentioned in the dumping margin table.

Normal Value in China PR

Market Economy Status for Chinese Producers

40. Article 15 of China's Accession Protocol in WTO provides as follows:

"Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

"(a) In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China based on the following rules:

(i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;

(ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.

(b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.

(c) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.

(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession.

In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."

41. It is noted that while the provision contained in Article 15 (a)(ii) have expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO read with obligation under 15 (a)(i) of the Accession protocol require criterion stipulated in para 8 of the Annexure I of the Rules to be satisfied through the information/data to be provided in the supplementary questionnaire on claiming the market economy status. It is noted that since the responding producers/ exporters from China PR have not submitted response to questionnaire in the form and manner prescribed, the normal value computation is required to be done as per provisions of para 7 of Annexure I of the Rules.
42. Accordingly, the normal value for all the producers/exporters from the subject country have been determined as below.

Normal Value for all Producers in China PR.

43. As none of the producers from China PR have claimed determination of normal value on the basis of their own data/information, the normal value has been determined in accordance with para 7 of Annexure I of the Rules which reads as under:

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

44. The prices or constructed value of the product in an appropriate market economy third country or the prices from such third country to other countries, including India, has neither been made available by the Applicant or an interested party, nor is available with the Authority from any public source. Thus, normal value has been determined on the basis of price paid or payable in India, duly adjusted to include profit, which has been determined considering cost of production in India, after addition for selling, general & administrative expenses and reasonable profits.. The normal value so determined is given below in dumping margin table.

F.5. Determination of export price

Korea RP

Kumho Petrochemical Co. Ltd.

45. During the POI, M/s KKPC has exported the subject goods directly to India as well as indirectly through an unrelated Korean trader namely, POSCO International Corporation. M/s KKPC and M/s POSCO have provided all the relevant information in the requisite formats. It is noted from the response that during the POI, M/s KKPC has exported *** MT of subject goods to India at an average invoice price of KRW *** per kg (USD *** per kg).
46. M/s KKPC has claimed adjustments on account of inland freight, ocean freight, port and other related expenses, overseas insurance, custom broker fees, commission expenses, packing expenses, credit cost, bank charges and duty drawback and the same have been provisionally allowed by the Authority except duty drawback. The ex-factory export price as determined is given in the dumping margin table.

For Non-cooperative Exporters from Korea RP

47. Export price in respect of any other exporters from Korea RP has been determined, provisionally, pending further investigation, as per facts available in terms of Rule 6(8) of the Rules. For the purpose, the Authority has provisionally considered imports as reported in the DGCI&S and the questionnaire response of the responding producer and exporters. The ex-factory export price as determined is given in the dumping margin table.

USA

Lanxess Corporation

48. In the exporters' questionnaire response, the producer / exporter stated that during the POI they directly exported *** MT to their related party in India. The related importer in India has converted the liquid form of the subject goods in to Flake form and therefore, the Authority has made necessary adjustments on account of the conversion cost. As their selling price of subject goods is lower than their purchase price which includes import prices and conversion cost, suitable adjustments have been made from their landed price and net export price. Further, the Authority has provisionally accepted the adjustment as claimed by the exporter on account of inland freight, overseas freight, marine insurance, credit cost, and inland transportation, subject to verification. Accordingly, the

export price determined is provided in the dumping margin Table below. The export price so determined has been considered as ex-factory export price of Lanxess USA in respect of solid & packed material. The same has therefore been compared with the normal value of solid and packed material sold by Lanxess USA. The ex-factory export price as determined is given in the dumping margin table.

For Non-Cooperative exporters in USA

49. Export price in respect of any other exporters from USA has been determined, as per facts available in terms of Rule 6(8) of the Rules. For the purpose, the Authority has provisionally considered imports as reported in the DGCIS and the questionnaire response of the producer and exporters. The ex-factory export price as determined is given in the dumping margin table.

China PR

Export price of Sennics Co., Ltd. Shandong, China PR (Producer), Sennics Co., Ltd. Shanghai, China PR (Exporter), M/s Sennics Inc., USA (Exporter) and M/s Sennics Singapore Pte. Ltd., Singapore (Exporter)

50. Sennics Co., Ltd. Shandong (hereinafter also referred to as “Sennics Shandong” or “the Company”) is a limited liability company incorporated in China PR under the Chinese law. Sennics Shandong is 100% owned by Sennics Co., Ltd. (“Sennics Shanghai”).
51. It is noted that Sennics Co., Ltd., Shandong (Producer) and Sennics Co., Ltd. Tai’an, (Producer), China PR, have filed questionnaire response along with its related trading companies, namely, M/s Sennics Co., Ltd. Shanghai, China PR, Sennics Singapore Pte. Ltd., Singapore and Sennics Inc., USA. In their questionnaire response, M/s Sennics Co., Ltd., Shandong and M/s Sennics Co., Ltd. Tai’an, China PR, have declared that these companies have exported the PUC produced by them to India through M/s Sennics Co., Ltd. Shanghai, China PR.

Sennics Co., Ltd. Shandong, China PR (Producer),

Export price of Sennics Co., Ltd. Shandong, China PR (Producer), Sennics Co., Ltd. Shanghai, China PR (Exporter), M/s Sennics Inc., USA (Exporter) and M/s Sennics Singapore Pte. Ltd., Singapore (Exporter)

52. The Authority notes that M/s Sennics Co., Ltd., Shandong China PR, has exported *** MT of the PUC during POI to India through M/s Sennics Co., Ltd. Shanghai, out of which M/s Sennics Co., Ltd. Shanghai, has exported *** MT, directly to India, *** MT and *** MT have been exported to India through M/s Sennics Inc., USA and M/s Sennics Singapore Pte. Ltd., Singapore respectively.

53. It has been noted that Sennics Inc., USA and M/s Sennics Singapore Pte. Ltd., Singapore have reported losses in exports sales of PUC to India. The Export Price has been adjusted to the extent of losses shown by Sennics Inc., USA and M/s Sennics Singapore Pte. Ltd., Singapore.
54. The Authority made adjustments on account of ocean freight, insurance, inland freight, port and other related expenses, credit and bank charges, in order to arrive at the weighted average export price at ex-factory level. For the purpose of preliminary findings, the claims made have been accepted subject to the verification of the information filed. The ex-factory export price as determined is given in the dumping margin table.

Sennics Co., Ltd. Tai'an, China PR (Producer)

Export price of Sennics Co., Ltd. Tai'an, China PR (Producer), Sennics Co., Ltd. Shanghai, China PR (Exporter), M/s Sennics Inc., USA (Exporter)

55. The Authority also notes that M/s Sennics Co., Ltd. Tai'an, China PR, has exported *** MT of the PUC during POI to India through M/s Sennics Co., Ltd. Shanghai, out of which M/s Sennics Co., Ltd. Shanghai, has exported *** MT, directly to India and *** MT has been exported to India through M/s Sennics Inc., USA.
56. It has been noted that Sennics Inc., USA and M/s Sennics Singapore Pte. Ltd., Singapore have reported losses in exports sales of PUC to India. The Export Price has been adjusted to the extent of losses shown by Sennics Inc., USA and M/s Sennics Singapore Pte. Ltd., Singapore.
57. The Authority made adjustments on account of ocean freight, insurance, inland freight, port and other related expenses, credit and bank charges, in order to arrive at the weighted average export price at ex-factory level. For the purpose of preliminary findings, the claims made have been accepted subject to the verification of the information filed. The ex-factory export price as determined is given in the dumping margin table.

For Non-cooperative Exporters from China PR

58. Export price in respect of any other exporters from China PR has been determined, provisionally, pending further investigation, as per facts available in terms of Rule 6(8) of the Rules. For the purpose, the Authority has provisionally considered imports as reported in the DGCI&S and the questionnaire response of the responding producer and exporters. The ex-factory export price as determined is given in the dumping margin table.

F.6 Determination of dumping margin

59. It is noted that in the subject investigation many cooperating producers and exporters are related to each other and form a group of related companies. It has been a consistent practice of the Authority to consider related exporting producers and exporters as one single entity for the determination of a dumping margin and thus to establish one single dumping margin for them. This is in particular because calculating individual dumping margins might encourage circumvention of antidumping measures, thus rendering them ineffective, by enabling related exporting producers to channel their exports to India through the company with the lowest individual dumping margin.
60. In accordance with the above, related producers and exporters from China PR have been regarded as one single entity and attributed one single dumping margin which was calculated on the basis of the weighted average of the dumping margins of the cooperating related producers and exporters.
61. Considering the normal value and export price for subject goods, the dumping margins for the subject goods from subject countries have been provisionally determined as follows:

Dumping margin Table

Country	Producer/Exporter	Normal Value/ CNV (US\$/MT)	Export Price (US\$/MT)	Dumping Margin US\$/MT	Weighted Average DM	Weighted Average DM%	Range
China PR	Sennics Co., Ltd. Shandong	***	***	***	***	***	70-80
	Sennics Co., Ltd. Tai'an	***	***	***	***	***	70-80
	Other Producers and Exporters	***	***	***	***	***	100-110
Korea RP	Kumho Petrochemical Co. Ltd.	***	***	***	***	***	20-30
	Other Producers and Exporters	***	***	***	***	***	30-40
USA	Lanxess Corporation	***	***	***	***	***	10-20
	Other Producers and Exporters	***	***	***	***	***	10-20

G. EXAMINATION OF INJURY AND CAUSAL LINK

G.1. Submissions of the domestic industry

62. Following submissions have been made by the domestic industry with regard to the injury and causal link. They are as follows:
- a. The goods from the subject countries directly compete with the like goods by the domestic industry and therefore, it is only appropriate to assess the effect of imports cumulatively.
 - b. The demand for the product increased in 2017-18, marginally declined in 2018-19 and declined further in the POI.
 - c. The imports from the subject countries increased in absolute terms in comparison with the base year and declined in the POI when compared to the previous year due to a decline in demand. The imports from subject countries have increased in relative terms.
 - d. Imports from subject countries, except USA are undercutting the prices of the domestic industry.
 - e. With regards to USA, Lanxess USA exports to its related party in India i.e., Lanxess India and therefore, the selling price of the applicant has been considered by the domestic industry as the resale price of Lanxess India in order to determine the landed price of imports from USA.
 - f. The imports from subject countries are suppressing the prices of the domestic industry. Further, price underselling/injury margin is positive and significant.
 - g. Capacities were constant throughout the injury period and inventories declined. Production, capacity utilization and domestic sales declined in the POI.
 - h. Domestic industry exported in losses due to inability to sell the product in the domestic market.
 - i. Market share of imports from subject countries have increased and that of the domestic industry has declined over the injury period.
 - j. Profitability declined and the domestic industry faced significant financial losses in the POI and in effect, the ability to raise capital investment has weakened.
 - k. Cash profits, PBIT, ROCE are negative in the POI. This is also because of cessation of anti-dumping duties against imports from Korea RP and China PR.
 - l. Growth of the domestic industry is negative in the POI.
 - m. Imports from subject countries pose threat of material injury to the domestic industry.
 - n. Factors other than dumped imports are not causing injury to the domestic industry.
 - o. Price undercutting and price suppression is due to the effect of dumped imports from subject countries.
 - p. Decline in ROCE, profits, cash profits, domestic sales and growth are a result of dumped imports.

G.2. Submissions of other interested parties

63. The following are the submissions of the other interested parties.

- a. The domestic industry has not considered actual data for the last month of the POI i.e. March 2020. Instead, annualized the figures for the purpose of the injury analysis. This has resulted in insufficient information in the domestic industry petition for analysing the injury to the domestic industry in the most recent period. Accordingly, the respondent requests the Hon'ble DA to direct NOCIL to provide an updated petition with the data for the entire POI.
- b. The anti-dumping duty on import of PX-13 from China PR and Korea RP was in existence till 24 July 2019. Thus, injury to the domestic industry on account of import of the PUC before the POI, would have been negated due to such levy.
- c. The data provided by the domestic industry shows that there is a decline in import volume of PUC during the recent period i.e. the POI. Moreover, user industry is forced to import on account of demand-supply gap
- d. As the domestic industry is unable to meet the entire demand which increased during the injury period, the same resulted in increase in imports of PUC during the said period. Similarly, when the demand of the PUC declined during the POI, as admitted by the domestic industry itself¹⁰, the same resulted in decrease in imports of the PUC for the period.
- e. Maximum increase in relative terms is visible from countries with AD duty levy, i.e. the European Union ('EU') which is much higher than the subject countries in the present investigation.
- f. There is no price suppression or depression during the injury period. the landed value from 2016-17 till 2018-19 has increased by 48% which is much more than the increase in selling price of the domestic industry.
- g. The production, sales and capacity utilization of the domestic industry has continuously increased till 2018-19. The data provided for POI(A) is based on estimated figures therefore, the same should be confirmed basis actual data for March 2020
- h. Inventories of the domestic industry have experienced a decline during the injury period
- i. Market Share of domestic industry has increased in the in period of investigation.
- j. Interest cost and depreciation and amortization expense of the domestic industry has increased during the POI(A).
- k. There was a fall in demand/consumption of PUC due to economic slowdown in the automobile sector in India. Thus, these factors may have impacted the profitability of the domestic industry in the present investigation and can be probable reason of losses to the domestic industry
- l. Losses from export sales cannot be a part of the injury analysis in an anti-dumping investigation and must be separated from the parameters in the present analysis.
- m. Domestic industry's major production is utilized in export sales and it is one of the reasons to contribute to the losses suffered by the domestic industry if any.
- n. Increase in import volumes of the PUC during the investigation period may be attributable to the lack of domestic supply in India owing to the domestic industry's affinity towards export markets
- o. Domestic selling prices of the PUC has dropped in the POI due to a massive fall in crude prices worldwide, which lowered the cost of raw materials by 40% which has been admitted to by the domestic industry itself in its 2018-19 annual report. However, the domestic selling price still shows an increase by 5% in 2018-19 as compared to the base year despite the massive reduction in raw material cost.
- p. It is submitted that the domestic producers of the subject goods are suffering injury because of imports of the subject goods form from China PR and Korea RP. It is further submitted that the

subject goods imported from USA are at substantially higher price, as compared to China PR and Korea RP and therefore, are not causing injury to domestic producers in India.

- q. Domestic industry domestic industry has been claiming protection for 10 years through AD and safeguard measures, despite which it is not able to cater to the demand.
- r. It has been submitted by the cooperating producer and exporter from USA that the domestic industry has not suffered any injury from US imports as (a) imports from USA are at prices higher than China PR and Korea RP, (b) imports are in liquid form, which is converted into flakes in India, (c) liquid PX-13 has very little market share, (d) domestic industry domestic industry is suffering losses and distortions due to imports from Korea RP and China PR, (e) imports from USA have remained competitive. Imports from USA should therefore be excluded from investigation.
- s. Previous SSR filed in 2018 by domestic industry was not initiated since there was no likelihood of injury and a provisional duty would be in contravention to the same.
- t. Imposition of duty will be prejudicial to the interest of users.
- u. Prices of the product have softened due to slow down, better availability, general decline in CIF prices and input prices. Slowdown in OEM industry impacted capacity utilization of major tire companies. Increase in depreciation cost, interest cost, foregoing opportunity cost of domestic industry, decline in demand in auto industry, etc. lead to decline in profitability. Also the domestic industry is planning capacity expansion.
- v. Price undercutting range (15-25%) is lower than the range in the terminated SSR investigation.
- w. Imports increased due to lack of supply. Export orientation increased while capacity remained the same.

G.3. Examination by the Authority

64. The Authority has taken note of the arguments and counterarguments of all the interested parties with regard to injury to the Domestic Industry. The injury analysis so made by the Authority hereunder addresses the various submissions made by the interested parties.

G.3.1 Cumulative assessment

65. Annexure-II para (iii) of the Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigations, the Authority will cumulatively assess the effect of such imports, in case it determines that:
 - i. The margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent (or more) of the import of like article or where the export of individual countries is less than three percent, the imports collectively account for more than seven percent of the import of like article, and
 - ii. Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.
66. The Authority notes that

- i. The subject goods are being dumped into India from the subject countries. The margins of dumping from each of the subject countries are more than the de minimis limits prescribed under the Rules.
- ii. The volume of imports from each of the subject countries is individually more than 3% of the total volume of imports.
- iii. Cumulative assessment of the effects of import is appropriate as the exports from the subject countries not only directly compete with the like articles offered by each of them but also the like articles offered by the domestic industry in the Indian market. It is noted that the consumers who are buying from the domestic industry are also importing from amongst the subject countries.

67. In view of the above, the Authority considers it appropriate to cumulatively assess the effects of dumped imports of the subject goods from the subject countries on the domestic industry. The Authority notes that even though US exporter has supplied the product in liquid form, the same has been eventually sold in solid form by the related importer. Further, the related importer is engaged in production of the product under consideration, and therefore holds all facilities for conversion of the product into solid. The consumers have ultimately consumed the product in solid form only.

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

G.3.2 Volume effect of dumped imports on domestic industry

a) Assessment of demand / apparent consumption

69. The Authority has taken into consideration, for the purpose of the present investigation, the demand or apparent consumption of the product in India as the sum of domestic sales of Indian producers and imports from all sources.

Particulars	Unit	2016-17	2017-18	2018-19	POI
Sales of domestic industry	MT	***	***	***	***

	<i>Indexed</i>	<i>100</i>	<i>117</i>	<i>107</i>	<i>92</i>
Sales of other Indian producer	MT	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>113</i>	<i>108</i>	<i>83</i>
Subject Countries	MT	5,812	6,797	7,455	7,191
Countries attracting duty - European Union	MT	1,197	2,440	2,591	2,320
Other Countries	MT	0	0	10	312
Total Indian Demand	MT	21,130	25,577	25,184	22,411
	<i>Indexed</i>	<i>100</i>	<i>121</i>	<i>119</i>	<i>106</i>

70. It is seen that the demand for the subject good has increased during the injury period, with a marginal decline in the POI. The overall demand of subject goods have increased over the injury period.

b) Import volumes from the subject countries

71. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of injury analysis, the Authority has relied on the transaction wise import data procured from DGCIS. Factual position is as follows –

Particulars	Unit	2016-17	2017-18	2018-19	POI
Subject Countries	MT	5,812	6,797	7,455	7,191
China PR	MT	2,004	3,537	3,882	3,749
Korea RP	MT	2,657	2,170	1,342	2,085
USA	MT	1,152	1,090	2,231	1,357
Countries attracting duty -European Union	MT	1,197	2,440	2,591	2,320
Other Countries	MT	0	0	10	312
Subject Imports in relation to					
Production	%	41.24	39.33	43.40	55.47
	<i>Indexed</i>	<i>100</i>	<i>95</i>	<i>105</i>	<i>135</i>
Consumption	%	27.51	26.57	29.60	32.09
	<i>Indexed</i>	<i>100</i>	<i>97</i>	<i>108</i>	<i>117</i>

72. It is seen that the volume of imports from subject countries has increased till 2018-19 but declined marginally during the period of investigation. However, the overall imports of subject goods from subject countries have increased during the POI. The volume of imports from subject countries have increased in relation to total Indian production and consumption.

G.3.3 Price effect of the dumped imports

73. With regard to the effect of the dumped imports on prices, it is required to be analyzed whether there has been a significant price undercutting by the alleged dumped imports as compared to the price of

the like products in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in the normal course. The impact on the prices of the domestic industry on account of the dumped imports from subject countries has been examined with reference to price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis, the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with landed price of imports of the subject goods from the subject countries.

a) Price undercutting

74. For the purpose of price undercutting analysis, the net selling price of the domestic industry has been compared with the landed value of imports from the subject countries. Accordingly, the undercutting effects of the dumped imports from the subject country work out as follows-

Particulars	Unit	2016-17	2017-18	2018-19	POI
Net Sales Realisation	₹/Kg	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>131</i>	<i>132</i>	<i>104</i>
China PR					
Landed Price	₹/Kg	***	***	***	***
Price Undercutting	₹/Kg	***	***	***	***
Price Undercutting	%	***	***	***	***
Price Undercutting	<i>range</i>	<i>40-50</i>	<i>30-40</i>	<i>40-50</i>	<i>20-30</i>
Korea RP					
Landed Price	₹/Kg	***	***	***	***
Price Undercutting	₹/Kg	***	***	***	***
Price Undercutting	%	***	***	***	***
Price Undercutting	<i>range</i>	<i>60-70</i>	<i>30-40</i>	<i>20-30</i>	<i>20-30</i>
USA					
Landed Price	₹/Kg	***	***	***	***
Price Undercutting	₹/Kg	***	***	***	***
Price Undercutting	%	***	***	***	***
Price Undercutting	<i>range</i>	<i>10-20</i>	<i>40-50</i>	<i>10-20</i>	<i>(0-10)</i>
Subject Countries					
Landed Price	₹/Kg	***	***	***	***
Price Undercutting	₹/Kg	***	***	***	***
Price Undercutting	%	***	***	***	***
Price Undercutting	<i>range</i>	<i>40-50</i>	<i>30-40</i>	<i>20-30</i>	<i>10-20</i>

75. It is seen that the imports from subject countries except for USA are entering at a price below the domestic selling price of the Domestic Industry, resulting in positive price undercutting. On a cumulative basis, the price undercutting margins from subject countries are positive.

76. As regards USA, the Authority notes that imports have been made by Lanxess India, who has imported the material in liquid form, processed the same into solid form and thereafter sold the same into India. The Authority further notes that the price undercutting is negative from USA due to the fact that exporters from USA export the subject goods to India at a higher price and their related party sales price in Indian market is lower than the cost price which included import prices of Liquid PX-13 and conversion cost from liquid to Flake of the Indian user. Thus, suitable adjustment has been made from their landed price. Therefore, it is noted that the import price recorded in DGCI&S import data is not showcasing the actual prevailing price of USA exporters in the Indian market.

b) Price suppression/depression:

77. In order to determine whether the dumped imports are depressing the domestic prices or whether the effect of such imports is to suppress prices to a significant degree and prevent price increases which other would have occurred in normal course, the Authority has considered the changes in the costs and prices over the injury period. The table below shows factual position:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Cost of Sales	Rs/Kg	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>93</i>	<i>109</i>	<i>105</i>
Selling Price	Rs/Kg	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>131</i>	<i>132</i>	<i>104</i>
Landed Value (Subject Countries)	Rs/Kg	143	195	212	183
	<i>Indexed</i>	<i>100</i>	<i>137</i>	<i>148</i>	<i>128</i>

78. It is seen that

- a. the landed price of imports from subject countries has remained below the cost of sales and the selling price of the domestic industry throughout the injury period
- b. Even though the cost has increased over the injury period, the domestic industry has not been able to increase its selling price in proportion to increase in costs.
- c. Whereas the costs declined in 2017-18, both the import price and selling price increased significantly in this period.
- d. Whereas the selling price and costs both declined in the POI as compared to the preceding year, the decline in the selling price was far more than the decline in the costs.

It is thus seen that imports of subject goods from subject countries are suppressing the prices of the domestic industry in the market.

c) Price Underselling

79. The Authority has also examined price underselling suffered by the Domestic Industry on account of dumped imports. For this purpose, the NIP determined has been compared with the landed price of imports. Summarized position is as follows

Particulars - POI	Unit	China PR	Korea RP	USA	Subject Countries
Non-Injurious Price	₹/Kg	***	***	***	***
Landed price	₹/Kg	***	***	***	***
Injury Margin /Price underselling	₹/Kg	***	***	***	***
	%	***	***	***	***
	%,Range	50-60	50-60	10-20	40-50

80. It is seen that the landed price of imports was significantly below the non-injurious price of the Domestic Industry. The Authority notes that the Domestic Industry has suffered price underselling during POI due to dumped imports of the subject goods from the subject countries.

G.3.4 Economic parameters of the domestic industry

81. Annexure II to the Rules provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. The various injury parameters relating to the domestic industry are discussed below
82. The Authority has examined the injury parameters objectively taking into account various facts and arguments made by the interested parties in their submissions.

i. Production, capacity, capacity utilization and sale

83. Capacity, production, sales and capacity utilization of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Capacity	MT	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
Production	MT	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>128</i>	<i>129</i>	<i>97</i>
Capacity Utilization	%	65	83	84	63
	<i>Indexed</i>	<i>100</i>	<i>128</i>	<i>129</i>	<i>97</i>
Domestic Sales	MT	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>117</i>	<i>107</i>	<i>92</i>
Average Stocks	MT	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>74</i>	<i>95</i>	<i>91</i>

84. It is seen that

- a. Production and capacity utilization of the domestic industry increased till 2018-19 and then declined significantly in the period of investigation.
- b. Whereas demand over the injury period was positive, production and capacity utilization in POI were at a level below the base year.
- c. Domestic sales of the domestic industry have shown a trend similar to that of production. Domestic sales increased in 2017-18 and then declined significantly in the period of investigation. Sales in POI were at a level below the base year.
- d. Overall, the production, capacity utilization and sales have declined during the POI as compared to base year.
- e. Inventories with the domestic industry declined in 2017-18, but increased thereafter. However, inventories have declined over the injury period.

ii. Market share in Demand

85. The market share of the domestic industry is shown in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI*
Domestic industry	%	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>97</i>	<i>90</i>	<i>87</i>
Other Indian producer	%	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>93</i>	<i>90</i>	<i>78</i>
Subject Countries	%	27.51	26.57	29.60	32.09
China PR	%	9.48	13.83	15.42	16.73
Korea RP	%	12.57	8.48	5.33	9.30
USA	%	5.45	4.26	8.86	6.06
Countries attracting duty - European Union	%	5.66	9.54	10.29	10.35
Other Countries	%	-	0.00	0.04	1.39

86. It is seen that the market share of the domestic industry has declined throughout the injury period. The market share of the subject countries have increased over the injury period, whereas market share of the domestic industry has declined.

iii. Profitability, cash profits and return on capital employed

87. Profitability, cash profits and return on investment of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI*
Profit/Loss	₹/Kg	***	***	***	***
	<i>Indexed</i>	<i>-100</i>	<i>252</i>	<i>104</i>	<i>-118</i>
Profit/Loss	₹ Lacs	***	***	***	***
	<i>Indexed</i>	<i>-100</i>	<i>296</i>	<i>111</i>	<i>-109</i>
PBIT	₹ Lacs	***	***	***	***
	<i>Indexed</i>	<i>-100</i>	<i>331</i>	<i>123</i>	<i>-118</i>

Cash Profits	₹ Lacs	***	***	***	***
	<i>Indexed</i>	-100	346	134	-111
Return on Capital Employed	%	***	***	***	***
	<i>Indexed</i>	-100	308	120	-142

88. It is seen that

- a. The domestic industry was suffering financial losses in 2016-17. With decline in costs and increase in prices, the domestic industry earned profits in 2017-18 which declined in 2018-19 and further in POI. The decline in profitability in the POI was very significant and the domestic industry once again suffered financial losses in the POI.
- b. Cash profits, PBIT and return on investment have shown the same trend as profits. Performance of the domestic industry in respect of cash profits, PBIT and return on investment first improved in 2017-18 and thereafter declined significantly till POI. The domestic industry has suffered cash losses, negative PBIT and return on investment in the POI.

iv. Employment, wages and productivity

89. Employment, wages and productivity of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI*
No. of Employees	Nos	***	***	***	***
	<i>Indexed</i>	100	95	95	95
Productivity Per Day	MT	***	***	***	***
	<i>Indexed</i>	100	128	129	97
Wages	₹ Lacs	***	***	***	***
	<i>Indexed</i>	100	89	79	71

90. It is seen that

- a. The employment levels have remained constant in the last three years.
- b. The productivity per day increased steadily till 2018-19 but declined in the POI.
- c. The wages paid has declined throughout the injury period.

91. The domestic industry has submitted that these parameters are not reflective of the impact of dumped imports on the domestic industry.

v. Growth

92. The growth of the domestic industry in terms of production, capacity utilization, domestic sales volume, inventories, profits, cash profits, and return on investment was positive in 2017-18 and became negative thereafter with a significant decline in the POI

Particulars	Unit	2017-18	2018-19	POI
Production	Y/Y	22	1	(33)
Domestic Sales	Y/Y	15	(10)	(15)

Cost of Sales	Y/Y	(8)	14	(3)
Selling price	Y/Y	24	1	(27)
Profit/Loss	Y/Y	66	0	(2)
Cash profits	Y/Y	71	(158)	(20)
ROCE	Y/Y	27	(24)	(33)

vi. Ability to raise capital investment

93. It is seen that the domestic industry has faced significant decline in profitability, which has weakened its ability to raise capital investment.

vii. Factors affecting domestic prices

94. It is seen that the import prices are directly affecting the prices of the domestic industry in the market. The landed value of the subject goods from the subject countries are below the cost and selling price of the domestic industry. Further, the domestic industry is unable to retain its prices in the market due to presence of dumped imports in the country. The prices of imports have suppressed the prices of the domestic industry to a significant degree. The imports of subject goods from third countries are either attracting anti-dumping duty or at de-minimus levels or are at higher prices. The dumped imports are impacting the prices of the domestic industry. Hence, it is provisionally concluded that the principal factor affecting the domestic prices is the dumped imports of subject goods from the subject countries.

95. The Authority has taken note of the arguments and counterarguments of all the interested parties with regard to injury to the Domestic Industry. The injury analysis so made by the Authority hereunder addresses the various submissions made by the interested parties.

96. As regards the argument of demand supply gap, the Authority considers that possible demand-supply gap cannot deprive a domestic industry from seeking redressal against dumped imports causing injury. If the exporters wish to meet the requirement in Indian market that could be done by meeting the requirements at an undumped price. It is also provisionally noted that the profitability of the domestic industry is much adverse in the export market, as compared to domestic market. It is not established that the domestic industry preferred exports over domestic sales. Further, it is seen that the capacity utilisation of the domestic industry declined significantly in the present investigation period.

97. As regards the argument of exports of domestic industry causing injury, it is clarified that the performance of the domestic industry has been analysed with respect to its domestic operations only. Losses suffered in exports have been segregated and not considered in the present findings.

98. As regards the decline in the raw material prices, it is noted that the profitability of the domestic industry has been considered, having regard to actual raw material prices. It is seen that the profitability of the domestic industry significantly declined, despite these decline in raw material prices.
99. It is seen that the quantum of decline in profitability is not due to increase in interest and depreciation costs. It is also seen that the performance of the domestic industry declined in respect of profit before interest (ROI) and profit before depreciation (cash profits).
100. As regards decline in demand, it is seen that whereas the demand for the product declined, the imports from subject countries increased and production, domestic sales and capacity utilisation of the domestic industry declined.
101. As regards previous ADD and absence of injury due to the same, it is clarified that the Authority has considered injury to the domestic industry in the present POI.
102. With regard to the contention of the interested parties that imposition of anti-dumping duty will not be prejudicial to interests of the users, the Authority notes that the purpose of anti-dumping duties, in general, is to eliminate injury caused to the Domestic Industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country.
103. With regard to the issue of continued duty raised by the interested parties, the Authority notes that there is no antidumping duty on the product at present. In fact, the Authority had earlier recommended cessation of antidumping duty on the grounds that there was no likelihood of injury to the domestic industry. The information relating to the domestic industry however shows that the domestic industry is once again suffering injury, due to significant price depression caused by the imports of subject goods from subject countries.

viii. Magnitude of price underselling/injury margin

104. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in Anti-Dumping Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the information/data relating to the cost of production provided by the domestic industry and duly certified by the practicing accountant for the period of investigation. The NIP has been considered for comparing the landed price from the subject country for calculating injury margin. For determining the non-injurious price, the best utilisation of the raw materials and utilities has been considered over the injury period. Best utilisation of production capacity over the injury period has been considered. Extraordinary or non-recurring expenses have been excluded from the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e. average net fixed assets plus average working capital) for

the product under consideration was allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules and being followed.

105. Landed price for the cooperating exporters has been determined from the CIF export price determined for the purpose of dumping margin determination. Applicable customs duties have been added to determine landed price of imports. For all the non-cooperative producers/exporters from the subject countries, the Authority has determined the landed price based on facts available.
106. As mentioned in the dumping margin analysis in this Provisional Findings, it is noted from the response filed by the Lanxess Corporation, USA (producer / exporter) that their related user / importer Lanxess India in India has incurred a loss during the sale of the subject goods in Flake Form. As their sales price of subject goods in Flake Form is lower than the cost price which included import prices of Liquid PX-13 and conversion cost from liquid to Flake, suitable adjustment has been made from their landed price.
107. Based on the landed price and NIP determined as above, the injury margin for producers/exporters has been determined by the Authority and the same is provided in the table below

Country	Producer	Non-Injurious Price (US\$/MT)	Landed Value (US\$/MT)	Injury Margin US\$/MT	IM weighted	IM%	IM range
China PR	Sennics Co., Ltd. Shandong	***	***	***	***	***	50-60
	Sennics Co., Ltd. Tai'an	***	***	***	***	***	50-60
	Other Producers and Exporters	***	***	***	***	***	80-90
Korea RP	Kumho Petrochemical Co. Ltd.	***	***	***	***	***	40-50
	Other Producers and Exporters	***	***	***	***	***	50-60
USA	Lanxess Corporation	***	***	***	***	***	0-10
	Other Producers and Exporters	***	***	***	***	***	0-10

G.3.5 Conclusion on Injury

108. The examination of the imports of the subject product and the performance of the domestic industry clearly shows that the volume of dumped imports from subject countries has increased in both absolute and relative terms. The imports from the subject countries are undercutting the prices of the domestic industry and the price underselling is positive. The imports from the subject countries

are suppressing the prices of the domestic industry. The production, sales, capacity utilization and market share of the domestic industry has declined in the period of investigation. The performance of the Domestic Industry has significantly deteriorated in respect of profits, cash profits and return on capital employed. The Domestic Industry has suffered financial losses, cash losses and negative return on investments in the period of investigation. In view of the foregoing, the Authority provisionally concludes that the Domestic Industry has suffered material injury.

H. NON-ATTRIBUTION ANALYSIS

109. The Authority examined any known factors other than the dumped imports which at the same time might have been injuring the domestic industry, so that the injury caused by these other factors, if any, is not attributed to the dumped imports. Factors which are relevant in this respect include, inter alia, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the domestic industry. The Authority examined whether factors other than dumped imports could have contributed to the injury to the domestic industry.

a) Volume and value of Imports not sold at dumped prices

110. The imports from other countries are either attracting anti-dumping duty or at de-minimis levels. Thus, imports from other countries do not appear to have caused injury to the domestic industry.

b) Contraction in demand

111. While overall demand has increased, the demand has declined in the period of investigation. However, the volume of imports have increased in POI. Thus, the claimed injury to the Domestic Industry is not on account of contraction of demand.

c) Changes in pattern of consumption

112. There have been no material changes in the pattern of consumption of the product under consideration. Hence, changes in the pattern of consumption have not caused injury to the domestic industry.

d) Conditions of competition and trade restrictive practices

113. The Authority notes that the investigation has not shown that conditions of competition or trade restrictive practices are responsible for the claimed injury to the domestic industry.

e) Developments in technology

114. No evidence has been brought by any interested parties about existence of significant changes in the technology that could have caused injury to the domestic industry.

f) Export performance of the domestic industry

115. The Authority has considered data for the domestic operations only for the injury analysis. Therefore, export performance is not the cause for the injury to the domestic industry. However, the domestic industry has submitted that it is compelled to export only because of absence of demand for the product from the domestic market.

g) Performance of other products

116. The domestic industry has provided the injury data of PUC performance and the same has been adopted by the Authority for the purpose of injury analysis. Therefore, performance of other products produced and sold by the applicant is not a possible cause of the injury to the domestic industry.

Conclusion on Causal Link

117. The Authority provisionally concludes that the domestic industry has not suffered injury in the POI due to other factors. Further, the following factors show that the injury to the domestic industry is due to subject dumped imports:

- i. The imports are undercutting the prices of Domestic Industry and are priced below the cost of the Domestic Industry.
- ii. The imports have forced the Domestic Industry to sell the product at a price below cost of production. The Domestic Industry has suffered price depression on account of dumped imports.
- iii. The adverse volume and price effect on account of imports of subject goods from subject countries has resulted in financial losses, cash losses and negative return on investments in the POI.
- iv. Price undercutting has led to increase in imports and decline in sales of the domestic industry.
- v. Decline in sales of the domestic industry has led to decline in market share, production and capacity utilization of the domestic industry.

118. The Authority, thus, provisionally concludes that there exists a causal link between the dumping of the subject goods and injury to the domestic industry.

I. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

119. The Authority recognizes that the imposition of anti-dumping duties might affect the price levels of the product in India. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantages gained by dumping practices, prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods. The purpose of anti-dumping duties, in general, is to eliminate injury caused to the domestic industry by

the unfair trade practices of dumping so as to reestablish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of anti-dumping duties, therefore, would not affect the availability of the product to the consumers. The Authority notes that the imposition of the anti-dumping measures would not restrict imports from the subject countries in any way, and therefore, would not affect the availability of the product to the consumers.

J. CONCLUSION & RECOMMENDATIONS

120. After examining the submissions made by the interested parties and issues raised therein and considering the facts available on record, the Authority provisionally concludes that:
- i. The subject goods have been exported to India from the subject countries at dumped prices.
 - ii. The domestic industry has suffered material injury.
 - iii. The material injury suffered by the domestic industry has been caused by the dumped imports.
121. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide positive information on the aspect of dumping, injury and causal link. Having initiated and conducted the investigation into dumping, injury and causal link in terms of the provisions laid down under the Anti-Dumping Rules, the Authority is of the view that imposition of provisional duty is required to offset dumping and injury, pending completion of the investigation. The Authority considers it necessary and recommends imposition of provisional anti-dumping duty on imports of subject goods from the subject countries.
122. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of provisional anti-dumping duty equal to the lesser of margin of dumping and the margin of injury, so as to remove the injury to the domestic industry. Accordingly, the Authority recommends imposition of provisional antidumping duty on the imports of subject goods, originating in or exported from subject countries, from the date of notification to be issued in this regard by the Central Government, equal to the amount mentioned in Col. 7 of the duty table appended below. The landed value of imports for this purpose shall be assessable value as determined by the Customs under Customs Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

Duty Table

S N	Head ing	Descript ion	Country of Origin	Country of Export	Producer	Amoun t	Unit	Curren cy
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

1	3812, 2921, (note 1)	Rubber Chemical PX 13 (note 2)	China PR	Any country including China PR	Sennics Co., Ltd. Shandong	1,235.99	MT	US\$
2	- do -	- do -	China PR	Any country including China PR	Sennics Co., Ltd. Tai'an	1,235.99	MT	US\$
3	- do -	- do -	China PR	Any country including China PR	Any producer other than Serial Number 1 & 2	1,570.34	MT	US\$
4	- do -	- do -	Any country other than countries attracting anti- dumping duty	China PR	Any	1,570.34	MT	US\$
5	- do -	- do -	Korea RP	Any country including Korea RP	Kumho Petrochemi- cal Co. Ltd.	532.06	MT	US\$
6	- do -	- do -	Korea RP	Any country including Korea	Any producer other than Serial Number 5	697.18	MT	US\$
7	- do -	- do -	Any country other than countries attracting anti- dumping duty	Korea RP	Any	697.18	MT	US\$
8	- do -	- do -	USA	Any country including USA	Lanxess Corporation	81.76	MT	US\$

9	- do -	- do -	USA	Any country including USA	Any producer other than Serial Number 8	195.56	MT	US\$
10	- do -	- do -	Any country other than countries attracting anti-dumping duty	USA	Any	195.56	MT	US\$

Note-1 - Customs classification mentioned above is only indicative.

Note-2 - The description of the product under consideration is "Rubber Chemicals PX-13" also known as 6PPD, Antioxidant 6PPD, Kumanox 13, Santoflex 6PPD, Sirantox 6PPD, Vulkanox 4020, Antioxidant 4020, Dussantox 6PPD, Antage 6C, N-1,3-Dimethylbutyl)-N'-Phenyl-P-Phenylenediamine.

K. FURTHER PROCEDURE

123. The procedure as below would be followed subsequent to notifying the preliminary findings:

- a. The Authority invites comments on this Preliminary finding from all interested parties and the same, considered relevant by the Authority, would be considered in the final findings.
- b. Domestic industry, exporters, importers and other interested parties known to be concerned are being addressed separately by the Authority, who may make their views known, within thirty days from the date of the publication of these preliminary findings.
- c. Any other interested party may also make known its views within thirty days from the date of publication of these findings.
- d. The Authority would conduct oral hearing in terms of rule 6(6) to give an opportunity to all interested parties to present their views relevant to the investigation. Issues and concerns raised during oral hearing will be examined in the final findings.
- e. The date of the oral hearing would be announced on the DGTR website (dgtr.gov.in).
- f. The Authority would conduct further verification to the extent deemed necessary.
- g. The Authority would disclose the essential facts as per the Rules before announcing the final findings.

(B. B. Swain)
Special Secretary and Designated Authority

