

**TO BE PUBLISHED IN PART 1 SECTION-1 OF
THE GAZATTE OF INDIA- EXTRAORDINARY**

Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti-Dumping & Allied Duties
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi

Dated the 6th March, 2017

FINAL FINDINGS

(Anti-Dumping Investigation)

Sub: Anti Dumping investigation concerning imports of ‘Linear Alkyl Benzene’ originating in or exported from Iran, Qatar and China PR

14/20/2015-DGAD: Having regard to Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules thereof, as amended from time to time (hereinafter referred to as the AD rules).

A. Background of the case

Whereas M/s Tamilnadu Petroproducts Ltd and M/s Nirma Ltd (hereinafter referred to as “petitioners”) had filed an application before the Designated Authority (hereinafter mentioned to as “the Authority”) in accordance with the Customs Tariff (Identification, Assessment And Collection Of Anti-Dumping Duty On Dumped Articles And For Determination Of Injury) Rules, 1995 (hereinafter “the Rules”) for initiation of an anti-dumping investigation and imposition of anti-dumping duty on the imports of “Linear Alkyl Benzene” (hereinafter as “the subject goods” or “product under consideration” or “LAB”) originating in or exported from Iran, Qatar, China PR and Saudi Arabia.

B. Procedure

1. The procedure described below has been followed.
 - a. The Designated Authority under the above Rules, received a written application from M/s Tamilnadu Pretroproducts Ltd. and M/s. Nirma Ltd. as domestic industry of the subject goods, alleging dumping of Linear Alkyl Benzene (*hereinafter*

referred to as “subject goods” or “LAB”) originating in or exported from Iran, Qatar, China PR and Saudi Arabia and resultant injury to domestic industry.

- b. The application filed by the petitioners was considered by the Authority as properly documented for initiation of the anti-dumping investigation.
- c. The Authority notified the Embassies of the subject countries in India about the receipt of application before proceeding to initiate the investigations in accordance with Rule 5 sub-rule (5) of the AD Rules.
- d. The Authority, on the basis of sufficient evidence submitted by the petitioners to justify initiation of the investigation, decided to initiate the investigation against imports of the subject goods from Iran, Qatar and China PR (*hereinafter referred to as the “subject countries”*). As mentioned in the initiation notification, the Authority found negative injury margin on imports of subject goods from Saudi Arabia for the period of investigation and therefore did not consider it appropriate to initiate investigation in respect of imports of subject goods from Saudi Arabia as a subject country in the present investigation.
- e. The Authority issued a public notice dated September 7th December, 2015 published in the Gazette of India, Extraordinary, initiating anti-dumping investigations concerning imports of the subject goods from the subject countries. A corrigendum dated 13/1/2016 was also issued to rectify a minor error in the initiation.
- f. The Authority forwarded a copy of the public notice to all known exporters (whose details were made available by the Petitioners) and industry associations and gave them opportunity to make their views known in writing in accordance with the Rule 6(2) of the AD Rules.
- g. The Authority forwarded a copy of the public notice to all the known importers of the subject goods in India and advised them to make their views in writing within forty days from the date of the letter.
- h. The Authority provided a copy of the non-confidential version of application to the known exporters and the Embassy of the People’s Republic of China in India, Embassy of Islamic Republic of Iran and Embassy of Qatar in India, in accordance with Rule 6(3) of the AD Rules. A copy of the Application was also provided to other interested parties, whenever requested.
- i. Market Economy Treatment (MET) questionnaire was also forwarded to the known producers/exporters in China PR and the Embassy of China PR in India with the request to provide relevant information to the Authority within the prescribed time limit. While for the purpose of initiation, the normal value in China PR was considered based on the cost of production of the subject goods in India, duly adjusted, the Authority informed the known producers/exporters from China PR that it proposes to examine the claim of the applicant in the light of Para 7 and Para 8 of Annexure I of Anti-dumping Rules, as amended. The exporters/producers of the subject goods from China PR were, therefore, advised to furnish

necessary information/sufficient evidence as mentioned to enable the Authority to consider whether market economy treatment can be granted to the cooperative exporters/producers in China PR. However, none of the respondent producers/exporters from China PR have filed MET questionnaire response rebutting the non-market economy treatment meted out to China PR.

- j. The Authority sent questionnaires to elicit relevant information to the following known exporters in the subject country in accordance with Rule 6(4) of the AD Rules:

Iran Chemicals Industries Investment Companies, No.91 Saidi St Africa Ave Teheran (19679) Iran	Kolmar Group Ag, Laubehof, Metallstrasse 9, 6300 Zug, Switzerland
Seef Limited, Qatar, Seef Limited, Post Box: 50077, Mesaieed, State of Qatar	Jiangsu Jintong Chemical Co., Ltd 201 Yaoxin Ave, Qixia, Nanjing, Jiangsu, China, 210046
Jinzhou Yongjia Chemical Industry Co., Ltd.; No.25, Bai Guan Li, LingHe District, Jinzhou City Liaoning Province China PR	Petrochina International Fushun Co., Ltd.; 16-Hunhe Road North Fushun Liaoning Province China PR
Sinopec Jinling Petrochemical Corporation ; No. 22, Chaoyangmen North Street, Chaoyang District, Beijing, China PR	Great Orient Chemical (Taicang) Co. Ltd ; Room 807, Century Wealth Building., No.86 Shanghai Road(E), Taicang, Jiangsu Province, China 215400
Great Orient Chemical (Taicang) Co. Ltd. ; 11 South Binjiang Road, Taicang Road Development Zone Jiangsu, 215433 – China	

- k. In response to the initiation notification, the following exporters/producers from the subject countries have responded:

- i. M/s SEEF Limited, Qatar. (Producer)
- ii. M/s Great Orient Chemical (Taicang) Co., China
- iii. M/s Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.J.S.C., Qatar (Exporter)
- iv. M/s Jiangsu Jintung Chemical Corp. Ltd and its related parties Hotung Chemical Corp and Sharpinvest, China PR
- v. Renish Petrochem FZE

- l. Questionnaires were sent to the following known importers/users of subject goods in India calling for necessary information in accordance with Rule 6(4) of the AD Rules:

M/s Fashion Suiting (P) Ltd. 3, Chhabra Mansion; Puri Road	M/s Shree Unicon Organics Pvt. Ltd. BS, Apjee ; 130 Mumbai Samachar
--	---

Bhilwara-311001	Marg Mumbai-400023
A.R Salphonates Pvt. Ltd. Plot No. N41 ; Additional Ambernath, MIDC Anand Nagar ; Dist.Thane - 421501 ; Maharashtra	Tamil Nadu Small Scale Soap & Detergents ; Chateau 'D Ampa, IV Floor , No37, Old No. 110 ; Nelson Manickam Road ; Chennai-600029
Shanati Nath Detergents (P) Limited P-15, Kalakar Street ; Kolkata-700007	Rajaram Group of Industries ; 14, Azeez Nagar IInd Street ; Kodambakkam Chennai.600024
Kishors Sons Detergents Pvt. Ltd. 15-9-469, Mahanoongunj Hydrerabad – 500012. (A.P.)	Advance Surfactants India Limited 511/2/1. Rajokri, New Delhi-110038
A.R. Stanchem Pvt. Ltd. Exporters & Manufacturers Old Court House Street 2nd Floor, Coke & Kalvay Building Kolkata 700001	New India Detergents Limited A-2/25 Model Town -1 Delhi-110009
M/s Small Scale Detergents 43 European Asyum Lane , Kolkata -700016	Standards Surfactants Ltd 8/5 Arya Nagar, Kanpur-208002
Gora Mal Hari Ram Ltd. 39, Najafgarh Road, Indl. Area New Delhi -15	Detergents Manufacturers Associations 148 New Okhla, Industrial Complex-I New Delhi-110020
Barkur Surfactants Pvt. Ltd. Unitop House , East West Estate Safed Pool, Andheri Kurla Road Mumbai-400072	ISRO Product Unitop House , East West Estate Safed Pool, Andhari Kurla Road Mumbai-400072
S. Kumars Detergents Pvt. Ltd 4-D, Local Shopping Centre , A Block , Ring Road, Naraina , New Delhi-110028	Saci- Chem 59 & 60 DSIDC, Industrial Complex Okhla , Phase-I, New Delhi-110020
Hipolin Limited , Madhuban , 4th Floor , Ellis bridge, Ahmedabad -380006	All India Federation of Detergents Manufacturers ; 511/2/1, Rajokari, New Delhi -38
Maharashtra Small Scale Soap Detergents Manufacturers Association ; Shree Veerabai Maa Niwas ; Shastri Nagar Square, Nagpur-8 ; Maharashtra	Gujrat Small Scale Detergents Manufacturing Association ; C/o Kishore Soap Industries ; Maheshwari Mill Road, Tavdipura, Shahibaug ; Ahmedabad – 380004
Power Soaps Ltd ; 62-B, North Boag Road ; T. Nagar, Chennai-600017	M/s Bhaskar Venkatesh Products Pvt. Ltd ; Bhawani Complex ; 35, Hanumanganj, Near Jumerati Corner, Bhopal – 462001 (M.P.)
M/s Abdos Consumer Care Limited,	M/s Prabu Soap Works,

Jalan Compound, Bombay Highway, NH No. 6, Biparannapara, Howrah – 711411	P.Box No. 5115, 3/A1; Thayir Itteri Road, Kannappan Nagar ; Rathinapuri (P.O.) Coimbatore – 641 027
M/s Shiva Soap Works, Nanthavana Patti, Dindigul – 624005	M/s Bharathi Soap Works, Ist Line ; Nallacheruvu, Guntur – 522 003 (A.P.)
M/s Sabari Detergents, 191, Valparai Road ; Avalchinnampalayam, Zamin Kottampatti, Pollachi – 642 123	M/s S.S. Enterprises, No. 43, SIDCO Industrial Estate, Dindigul – 624 003
M/s Man Chemicals, 20/1, Sivakami Illam, Lakshmi Sundaram Colony, Behind M.S.P. School Ground, Dindigul – 624 005	M/s Sakthi Traders, No. 5/810, Malligai Road, Kootturavu Nagar, Dindigul – 624 005
M/s Shriram Bharat Chemicals & Detergents (P) Ltd., 1/56, Sanjay Gandhi Nagar, Nochipalayam Road, 46, Pundhur Village, Erode – 638002	M/s National Soaps Company, 138/1, Semmam Palayam Pirivu, Nasiyanur Road, Villarasampatti Nall Road, Nasiyanur (P.O.) Erode – 638107, T.N.
M/s Sree Manakula Vinayaga Chemicals, R.S. No. 89/1-F & D, Pannithittu Road, Kirumampakkam, Puducherry – 607 402	M/s Silver Chemicals, 1/255, Main Road, Valayankulam, Madurai – 625 022, Tamil Nadu
M/s Raja Chemical Works, # 137, Sami Iyer New Street, Coimbatore – 641 001	M/s Sree Pushpam Industries, R.S. No. 121/1 & 63/7, Madagadipet & Tirubuvani Village, Tirubuvanai Post, Pondicherry – 605107
M/s Lingam Chemical Industries, 8/55, Ambai Road, Alangulam – 627851, Tirunelveli, Tamilnadu	M/s Anand Chemicals, 13/4 Kamarajar Nagar, Avaniyapuram (P.O.) ; Ayanpappakudi Madurai – 625012 (T.N.)
M/s Hi-Tech India, No. 1, Vengur Road, Thiruverumbur, Trichy – 620 013	M/s Flora Chemicals, 2/226, Ammatchi Amman Koil Street, Uthangudi, Madurai – 625 107
M/s Devi Cropscience Pvt. Ltd. P.B. No. 274, 29-A, Workshop Road, Madurai – 625 001	M/s Shunmuga Industries, 139-ABC, Sundakkamuthur Road, Selvapuram, Coimbatore – 26
M/s Cymose Products, 4/139. Ayyanarpuram Main Road, Panaiyur (P.O.), Madurai – 625009	M/s Raceme Products, 2/221., Ayyanar Kovil Street, Uthangudi, Madurai – 625 017
M/s Orchid Chemicals, 183, Nedungulam Road, Pottapalayam, Sivagana Dt. 630611	M/s Muthukani Industries, 2/104 (1)- New Colony, Andipatti – P.O., Alangulam – 627 851

M/s Vardaan Detergent Private Limited, Plot No. 131, Sector – 24, Faridabad – 121005	M/s Reino Industrial Organics Pvt. Ltd., B-93, Mayapuri Phase – I, New Delhi – 64
Fena Pvt Ltd, A-67&68 Mettupalayam, PIPDIC Industrial Area, Pondicherry, 605009	Skill Dyechem, Village Panchpara, PO Radhadasi- 711309, Howrah, West Bengal

m. In response to the initiation notification, the following importers/users of subject goods in India have responded:

- i. Hindustan Unilever Limited
- ii. Detergent Manufacturers Association of India
- iii. Ardor International Pvt. Ltd., Ardor Global Pvt. Ltd. And Chem-Edge International Pvt. Ltd
- iv. Surfactants Manufacturers Association of India
- v. Indian Home & Personal Care Industry Association

n. A copy of initiation notification was also sent to following Indian producers of the product under consideration:

M/s. Indian Oil Corporation Limited Indian Oil Bhavan No. 1, Sri Auribindo Marg, Yusuf Sarai New Delhi – 110 016	M/s. Reliance Industries Ltd Maker Chambers IV, 3 rd Floor, 222, Nariman Point, Mumbai – 400 021
--	---

o. 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. Submissions made by all interested parties have been taken into account in present findings.

p. Keeping in view the request made by various exporters/importers, for an extension in time to file questionnaire response as the same required some more time in collation, the Designated Authority granted an extension of time to file responses to Questionnaires by 8th March, 2016 via Notification dated 19th February, 2016.

q. Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non confidential version of the information filed on confidential basis.

r. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide for details of imports of subject goods for the past three years, including the period of investigation, which was received by the

Authority. The Authority has referenced the DGCI&S imports data for computation of the volume & value of imports and injury analysis. DG Systems data has also been obtained to correlate import data of subject goods during POI to India, to the extent considered necessary.

- s. Further information was sought from the petitioners and other interested parties to the extent deemed necessary. Verification of domestic industry was conducted to the extent considered necessary for the purpose of present determination.
- t. The Non-injurious Price (hereinafter referred to as 'NIP') based on the cost of production and cost to make and sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) 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.
- u. The period of investigation for the purpose of the present investigation is April 2014 – June 2015 (15 months) (hereinafter referred to as the 'period of investigation' or the 'Period of investigation'). The examination of trends, in the context of injury analysis covered the period from 2011-12, 2012-13, 2013-14 and POI.
- v. The Authority has examined the information furnished by the domestic industry to the extent possible on the basis of guidelines laid down in Annexure III of the AD Rules to work out the cost of production and the non-injurious price of the subject goods in India so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- w. In accordance with Rule 6(6) of the Rules, the Authority provided an opportunity to all interested parties to present their views orally in a public hearing held on 8th June, 2016. Subsequently another public hearing was held on 4th November, 2016 which were attended by various parties. All the parties who presented their views in the oral hearing were requested to file written submissions of these views for mutual exchange with opposing interested parties for filing rejoinders thereafter by others.
- x. Exchange rate for conversion of US\$ to Rs. is considered for the POI as :
1 US\$= Rs. 62.13
1US\$= 3.64 QR
1US\$= CNY6.1
- y. *** in this final finding represents information furnished by an interested party/any other party on a confidential basis and so considered by the Authority under the Rules.
- z. In accordance with Rule 16 of the Rules Supra, the essential facts were disclosed by the Authority on 21st February, 2017 to the concerned interested parties. Comments were requested by 1st March, 2017. Comments received on the disclosure statement to the extent considered relevant by the Authority have been considered in this final finding.

aa. The last date to complete the investigation was extended by the Central Government till 06/03/2017.

C. Product Under Consideration and Like Article

2. The product under consideration for the purpose of present investigation is “Linear Alkyl Benzene” originating in or exported from Iran, Qatar and China PR.

Views of Exporters, Importers, Consumers and other Interested Parties

3. The interested parties have made the following submissions with regard to the product under consideration and like article:
 - a. The product under consideration produced by domestic industry and that imported from subject countries have differences, in molecules per tonne of LAB in product imported from China being 1.6% less and from Iran 0.8% less as compared to the product supplied by the Indian domestic producers. This should be taken into account to ensure comparison of like products.

Views of the Domestic Industry

4. The domestic industry has made the following submissions with regard to the product under consideration and like article.
 - a. The PUC in present petition is Linear Alkyl Benzene (LAB) and includes Mixed Alkyl Benzenes, and specifically excludes Mixed Alkyl Naphthalene.
 - b. LAB is manufactured using Kerosene, Extracted Paraffins and Benzene as raw materials. Paraffins are extracted from the Hydrobon Molex Process, from Feedstock Kerosene. These Paraffins are converted to their Olefins, by selective dehydrogenation at high temperature. The Olefins are then alkylated to Benzene, to form Linear Alkyl Benzene.
 - c. LAB is mainly used to produce Linear Alkyl benzene Sulphonate, which is then used in preparation of laundry detergents, light- duty dishwashing liquids, industrial cleaners and household cleaners.
 - d. There are no known commercially deployed grades of subject goods.
 - e. There is no known difference in the LAB produced by the domestic industry and LAB imported from the subject countries. Both are comparable in terms of characteristics such as physical & chemical characteristics, product specifications, manufacturing process & technology, functions & uses, 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.
 - f. As regards the submission of interested parties with regard to differences in PUC, it is to be noted that there is a set quality specification for Linear Alkyl Benzene wherein limits for its inherent other components are defined. LAB

produced by all the manufacturers, Indian or overseas meets these specifications. This is a mere misinterpretation of the product specification.

Examination by The Authority

5. The product under consideration in the present investigation is Linear Alkyl Benzene. It includes Mixed Alkyl Benzenes but excludes Mixed Alkyl Naphthalenes. The product under consideration is generally known as 'Linear Alkyl Benzene' (for short "LAB") in commercial market parlance.
6. LAB is available as a mixture of substances composed of a benzene ring attached to a single chain of carbon atoms. Several isomers of the product under consideration are possible since the benzene ring may be positioned at all carbons of the alkyl chain except the terminal carbon. The number of carbons per alkyl chain ranges for any given product from ten to sixteen. It is an organic compound with the formulae $C_6H_5C_nH_{2n+1}$, where 'n' ranges between 10 and 16. It is a colourless and odourless liquid, and is slightly soluble in water. It is considered to be a flammable chemical product. It performs the function of a chemical intermediate and is mainly used to produce Linear Alkyl benzene Sulphonate, which is subsequently used in preparation of laundry detergents, light-duty dishwashing liquids, industrial cleaners and household cleaners. The subject goods are being imported under Chapter 38 of the Customs Tariff Act. However, the customs classification is indicative only and in no way binding on the scope of this investigation.
7. The petitioners have claimed that there is no known difference between the products manufactured by them and the subject goods imported from the subject countries. The petitioners also claimed that the technology and production process employed by them and the foreign producers are also comparable.
8. The interested parties contended difference in molecules per tonne of LAB in product imported from amongst subject countries and supplied by the domestic industry. The claim of the interested parties was examined from the information on record and at the time of on the spot verification at the premises of the Indian producers and the producer in Qatar. It is noted that the responding producer in Qatar admitted not having claimed any difference in the cost of production on account of difference in weight of molecules. It was clarified that the difference in weight of molecules is a result of difference in raw materials or processes. No producer tends to consciously produce product of a particular weight of molecules. The interested parties have not established any quantified difference in the cost and price on the basis of difference in weight of molecules.
9. Subject to above, no argument has been received from any interested party on the scope of product under consideration or like article. Examination of the product and import data submitted by the petitioners indicate that there is no difference between subject goods produced by the Domestic Industry and imported from subject countries. In view of the similarity in manufacturing process and substitutability, the Authority holds the as alike and one product for the purpose of defining the 'product under consideration'.

D. Scope of Domestic Industry and Standing

Views of Exporters, Importers, Consumers and other Interested Parties

10. The interested parties have made following submissions with regard to the issue of standing and scope of domestic industry:
- a. The petitioners don't constitute 'major proportion' of the total Indian production as they produce only 32% of the total domestic production. Hence relying on the data of the petitioners, the Authority can't determine the trend of Indian producers as a whole.
 - b. The requirements of "major proportion" for domestic industry and the threshold for standing are two distinct requirements under the AD Rules as the position of WTO's Appellate Body in EC-Fasteners (China). Petitioners' production at 32% of the total domestic production considered as sufficient to constitute the domestic industry is a material risk of distortion within the meaning of Rule 2(b) of AD Rules, particularly since the industry is not fragmented and the remaining 68% is held by only two major producers of the subject goods.
 - c. RIL and IOCL to should file their full-fledged injury data so that the Authority may conduct an undistorted analysis for material injury considering the data of all four producers. It is undisputed that supporters are not required to file detailed injury submissions, but RIL and IOCL's participation as mere supporters is inadequate given that they actually constitute a major proportion.
 - d. The letter by RIL dated 14th June, 2016 was fraught with errors and was filed after more than 7 months after initiation of investigation. No combined data for RIL along with the petitioners has been made available.
 - e. At the stage of second hearing, interested parties contended that the authority should not accept RIL data, as this was significantly belated.
 - f. As per the revised application one of the petitioners have imported subject good which reduces the proportion of sales of the petitioners. No details about imports have been given by the domestic industry.

Views of the Domestic Industry

11. The domestic industry has made the following submissions with regard to standing and scope of domestic industry
- a. The production of the petitioners constitutes a major proportion of total Indian production and so the petition should be considered as having been made by the domestic industry. The petitioners produce 32% of the total Indian production which constitutes 'a major proportion' under Rule 2(b) of the AD Rules. *Ratio decidendi* in the matter of *Lubrizol (India) Pvt. Ltd vs The Designated Authority are relied upon in this regard.*
 - b. None of the petitioner companies has imported the product from amongst subject countries.

- c. Apart from the Petitioners, there are two more producers of Linear Alkyl Benzene in India, i.e., M/s. Indian Oil Corporation Limited and M/s. Reliance Industries Ltd. Both the producers have supported the present petition.
- d. As regards the issue of RIL and IOCL filing injury data is concerned, the petitioners had made efforts and had requested these companies. While Petitioners cannot force any company to provide relevant information, the Authority for the purpose of injury analysis called for data from M/s RIL which has provided injury information during the course of the investigations.
- e. As regards the issue of belated injury information by RIL, interested parties themselves had raised the issue of Reliance's participation contending that the share of petitioners constituted low share in Indian production. It is therefore not logical to refute the information on the pretext of it being filed much after the initiation of investigation. In any case, the interested parties have got sufficient opportunity to comment on the information provided by RIL.
- f. The certification filed by the companies and the initiation notification shows that the petitioners have not imported subject goods from subject countries. The error in Part IV of the petition filed has been rectified.

Examination by the Authority

12. Rule 2(b) 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"

13. The application was filed by M/s Tamilnadu Petroproducts Ltd. and M/s. Nirma Ltd. None of the petitioner companies have imported the subject goods from subject countries during the period of investigation nor are the petitioner companies related to an importer or an exporter of the product under consideration from subject countries. There are two other domestic producers of the subject goods, namely, M/s. Reliance Industries Ltd (RIL) and M/s Indian Oil Corporation Limited (IOCL) who have supported the application. While RIL's letter of support was part of the petition, IOCL has also sent its letter of support to the Designated Authority.

14. The production of the applicants during the POI accounts for a major proportion of the total domestic production of the subject goods. Therefore, the Authority holds that the petitioners command a major proportion in the production of the subject goods in India and they meet the standing in terms of Rule 5(3) and also qualify as domestic industry in terms of Rule 2(b).

15. Post initiation, interested parties contended that share of petitioners in total Indian production was low and other large producers of the product under consideration have not provided their injury information. RIL provided their injury information during

the course of the investigation. The information provided by RIL was made available to the interested parties through public file and various interested parties have offered comments on the same. As per information on record, RIL has not imported the product under consideration from amongst subject countries, nor is related to an exporter of an importer of the product under consideration in India. The information filed by RIL was verified by the Designated Authority by conducting an on the spot verification at their premises. Further, RIL has provided other relevant information deemed necessary by the authority.

16. The application was filed by M/s Tamilnadu Petroproducts Ltd and M/s Nirma Ltd. The table below shows the share of applicants in the production of PUC.

Statement of Indian Production				
	2011-12	2012-13	2013-14	POI
TNPL	***	***	***	***
NIRMA	***	***	***	***
<i>Petitioners</i>	<i>185,781</i>	<i>173,646</i>	<i>138,651</i>	<i>184,836</i>
RIL	***	***	***	***
IOCL	***	***	***	***
<i>Petitioners with supporters</i>	<i>453,722</i>	<i>455,618</i>	<i>421,962</i>	<i>519,420</i>
Share of various parties				
TNPL	***	***	***	***
NIRMA	***	***	***	***
<i>Petitioners</i>	<i>41%</i>	<i>38%</i>	<i>33%</i>	<i>36%</i>
RIL	<i>37%</i>	<i>36%</i>	<i>39%</i>	<i>36%</i>
IOCL	***	***	***	***
Total Indian Production	100%	100%	100%	100%

As noted above M/s Reliance Industries Ltd. and M/s Indian Oil Corporation Ltd. had also supported the petition earlier. The applicants also accounted as a major proportion and met the standing and domestic industry requirement as per Rule 5 (3) and Rule 2 (b) of AD Rules. However as M/s Reliance Industries Ltd during the course of investigation has provided injury data and cost of production, the Authority has considered the same and included Reliance Industries Ltd in the scope of Domestic Industry. With this inclusion, the share of Domestic Industry i.e. M/s Tamilnadu Petroproducts Ltd, M/s Nirma Ltd. and M/s Reliance Industries Ltd. is as under

Statement of Indian Production including Reliance Industries Ltd. as part of DI				
	2011-12	2012-13	2013-14	POI
Domestic Industry	351,722	336,098	302,442	370,020
IOCL (supporter)	***	***	***	***
Domestic Industry <i>with</i>	<i>453,722</i>	<i>455,618</i>	<i>421,962</i>	<i>519,420</i>

<i>supporter</i>				
Share of various parties	%			
Domestic Industry	78%	74%	72%	71%
IOCL	22%	26%	28%	29%
Total Indian Production	100%	100%	100%	100%

17. Considering that domestic industry under Rule 2(b) is defined as domestic producers as a whole, or those domestic producers whose collective output constituted a major proportion in Indian production, interested parties contended that the share of petitioners in Indian production was low, and that share of RIL alone in the Indian production is significant. Addition of RIL to the domestic industry has resulted in share of domestic producers to 78 %. The Authority notes that WTO's Appellate Body has held that the share of producers in gross domestic production should be significant and that the authority should include as many producers within the ambit of domestic industry as possible in a particular case. The authority has in view of above and submissions of various interested parties considered it appropriate to include RIL data within the scope of the domestic industry, and holds M/s Tamilnadu Petroproducts Ltd., M/s Nirma Ltd. and M/s Reliance Industries Ltd. as Domestic Industry as per Rule 2 (b).

E. CONFIDENTIALITY

18. With regard to confidential information, Rule 7 provides as follows:

7. 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 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 authorize its disclosure in a generalized or summary form, it may disregard such information.

Views of Exporters, Importers, Consumers and other Interested Parties

19. The interested parties have made following submissions with regard to confidentiality:
- a. Contradictory data regarding production of petitioners was filed in the petition which was also acknowledged by the domestic industry in the letter dated 2nd June 2016, where it was also stated that the confidential version contained the correct data. However the correct information was never provided to the interested parties. The figures in the non-confidential version of the petition was not corrected which is a violation of Rule 7 of AD Rules.
 - b. Everything related to the calculation of normal value is kept confidential.

Views of the Domestic Industry

20. The domestic industry has made following submissions with regard to confidentiality:
- a. There was a minor inconsequential error in the data filed in the petition. The error has since been rectified much before the public hearing. This error was in any case irrelevant, as it was in the import volumes reported in undercutting table for the year 2013-14, which is not the POI for the present case. Further, the price undercutting was determined by considering CIF import price, which was correctly reported.
 - b. All information has been provided in the non-confidential version as per the legal provision and the practices being followed by the Authority in this regard. Only that information has been claimed confidential, which is not publicly disclosed by the Petitioner companies.

Examination of Authority

21. The Authority holds that the information provided by interested parties on confidential basis meets the sufficiency requirement of the confidentiality claim. The authority has accepted the confidentiality claims wherever warranted. Any information being considered confidential has not been 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. The Authority made available such non-confidential version of the evidences submitted by various interested parties in the form of public file, following a consistent practice on this aspect.

F. Miscellaneous Issues

Views of Exporters, Importers, Consumers and other Interested Parties

22. The interested parties have made following miscellaneous submissions:
- a. At the time of initiation of the investigation, both confidential and non-confidential versions of the application should be in the files of Authority. Relying on Article 6.1.3 of WTO anti-dumping agreement, a delay of 37 days in providing the copy of the petition cannot be considered as acting promptly, so the present investigation must be terminated.
 - b. The document provided to the interested parties cannot be said to be the application for initiation of the investigation because the Authority did not

initiate the investigation based on the same. The application filed by the domestic industry included the data relating to Saudi Arabia however the copy of application which has been provided to the interested parties doesn't include any data relating to Saudi Arabia hence the present investigation must be terminated.

- c. The application used by the Authority for the initiation of the investigation is a piece of document / evidence relevant for the interested parties and the interested parties must have access to all the information used by the authority to initiate the anti-dumping duty investigation. In the present investigation, Article 6.4 has been violated so it must be terminated.
- d. The application for initiation in the present investigation has been filed subsequent to the initiation based on the information published in the initiation notice.
- e. The interested parties should have been served with the application for the initiation of the investigation because:
 - i. They have a right to comment on the initiation of the investigation. Also, Rule 5(3) prohibits DA to initiate the investigation unless conditions in (a) and (b) are met.
 - ii. Imports from China from April 2015 to June 2015 are 10,584 MT and if the imports for the POI includes the imports from April 2015 to June 2015, then imports from April 2014 to March 2015 for the POI was only 9,720 MT coupled with the fact that there was no import in two consecutive previous years and negligible quantity in 2011-2012. Similar is the case from Iran where import quantity during POI was less than imports from the previous year. So the initiation failed to satisfy Rule 5.
 - iii. No certificate of correctness has been filed by the domestic industry for the data in the application which has been filed subsequent to the initiation of the investigation. The total of CIF value of the imports in Rs.Lacs for the subject countries is not equal to the sum of CIF value of imports from each country which converted an insignificant price undercutting into a significant one.
 - iv. The data of the production for Nirma may be only for the POI because the capacity shown is also for and the total production of Applicant domestic producers doesn't tally with the figure in injury statement.
 - v. Domestic industry cannot be permitted to submit the correct information only in the CV of the application.
 - vi. The Landed price from Saudi Arabia is not significantly higher than that from Qatar and China during the revised POI. Also the application was restricted to the period upto March 2015 which allowed the Authority to

initiate investigation against Qatar and China. The new application doesn't contain information to enable the domestic industry to establish that injury margin from other countries was positive.

- vii. Domestic industry may have provided the DGCI&S T/T import data only with the earlier application and the same may be filed in printed form with the new application, so no soft copy has been made available.
 - viii. The Authority didn't examine the data of the output of the domestic producers to determine the standing for filing the application as the data for POI and Injury period was not made available on record at the time of initiation of the investigation.
- f. Saudi Arabia is excluded from the scope of the subject countries without any basis:
- i. Imports from Saudi Arabia are almost double the imports from Iran and more than three times the imports from China during the POI;
 - ii. Imports from Saudi Arabia during the POI came into India at a price comparable to the subject countries; and
 - iii. Imports from Saudi Arabia during the most recent period (April, 2015 to June, 2015) came into India at a price lower than all the subject countries. There is no sanction in either Indian law or WTO law to consider a country as "subject country" based on whether the imports are effected in each quarter or the month of the POI.
- g. Authority held a public hearing in the present investigation despite there being contradictory statements made in the petition regarding production of petitioners which did not provide a fair opportunity to the exporters to meaningfully comment on the information provided.
- h. The interested parties don't have access to the alleged support letter by IOCL.

Views of the Domestic Industry

23. The domestic industry have made following miscellaneous submissions:

- i. Domestic industry provided copies of non-confidential version of petition immediately after initiation. However, the Designated Authority considered it appropriate to circulate the updated petition. On being informed about requirement of filing data for the POI chosen by the authority, domestic industry consolidated all relevant information for the POI chosen by the authority and all relevant information for the POI chosen by the Authority.
- ii. Since the Authority has granted 40 days time to the interested parties to defend their interests after issuance of letter seeking information, no prejudice can be claimed because of alleged delay in issuance of questionnaire and providing a copy of the petition. It is not a situation that Authority has not given 40 days time from the date of issuance of letter.

Thus, as far as right to defence is concerned, authority has provided sufficient opportunity to the interested parties.

- iii. The Authority had given 90 days to interested parties from date of initiation for filing questionnaire response and submissions. Even if it is admitted that the parties did not have access to the petition until 37 days from initiation, in any case, parties had 53 days time available to them to file questionnaire response and make submissions after the petition was made available to the parties. Thus, the Designated Authority effectively gave 53 days to the parties when the rule provides only for 30 days and 7 days are provided for transmission of documents. Thus, as against 37 days provided under the rules and the agreement, the Designated Authority in fact provided 53 days to the interested parties after the petition copy was made available to the interested parties.
- iv. In WTO Panel Grey Portland Cement from Mexico, the Panel also analysed whether violations nullified or impaired the benefits accruing to a Member Country under the AD Agreement. In the present case, no prejudice has been caused to the interested parties as 40 days time period has been granted to the interested parties to defend their interest.
- v. The producers in Qatar have been giving post invoicing discounts. The goods are invoiced at a higher price and subsequently the exporters give discounts to the importers.
- vi. With regard to exclusion of Saudi Arabia from the investigation, although the petitioners filed the petition in respect of Saudi Arabia, the Designated Authority is justified in excluding it on the basis of negative injury margin, since India follows lesser duty rule and injury margin cannot improve during the course of investigation. Imports from subject countries are coming at lower rate than that of imports from Saudi Arabia. IOCL had submitted its letter directly to the Designated Authority which it may forward to the interested parties.
- vii. As regards conducting public hearing despite contradictory statements, the petitioners provided correct information regarding the production of petitioners in a letter dated 2nd June, 2016 filed with the DGAD, well before the public hearing was held.

IOCL had submitted its letter directly to the Designated Authority which it may forward to the interested parties.

Examination by the Authority

24. The aforesaid miscellaneous submissions made by the interested parties have been analysed as follows:

- i. With regard to the argument that the petition has been circulated after 37 days delay from the date of initiation, it is clarified that the Authority considered it appropriate to call updated information from the petitioners for the POI chosen for the case and thereafter issue the Questionnaire along with the petition with updated POI data to the interested parties. The Authority gave 40 days from the date of circulation of the petition to all interested parties to file Questionnaire response and provide any other information in order to defend their interests. Thereafter, some interested parties sought additional time for filing Questionnaire response and making their submissions, which were also liberally considered in the present case. Further, some interested parties made their legal submissions for the first time at the stage of oral hearing, which was held 184 days after initiation of investigation. The Authority however permitted these interested parties to present their views and information given by these interested parties and has also been taken into consideration in the investigation. The Authority has ensured that all interested parties get as much opportunity as they wish to defend their interests and has not allowed any interested party to suffer on the grounds that the submissions by them are belated. In fact, the Authority notes that preliminary issues such as alleged difference in molecular weight of the imported and domestic product were raised for the first time significantly after initiation of investigation and yet the same have been taken into account and addressed by the Authority.
- ii. With regard to the argument that the Authority has not provided the petition that was considered for initiating the investigation, the Authority notes that in order to afford a proper and meaningful chance to the interested parties to respond to the investigation with comments on the submissions made by the domestic industry on the POI being considered by the Authority, the Authority made available to interested parties both the petition relied upon by the authority for initiation of investigation and information for the updated period decided by the authority. The effort was to give effective opportunity to the interested parties and seek comments on the period and data that is relevant for the purpose of initiation and thereafter determination under this investigation. A copy of the petition relied upon by the authority for initiation was in fact made available to the interested parties and a number of interested parties collected and have commented on the same.
- iii. With regard to the argument that imports from Iran and China appears to be quite low for the POI originally considered by the domestic industry, the Authority notes that only after satisfaction of share of imports being beyond de minimis, the present investigation was initiated. In fact, none of the interested parties have contended that the share of imports from these countries was de minimis.
- iv. As regards the argument that certification from the domestic industry has not been submitted and has led to incorrect figures, the Authority notes that the information provided by the domestic industry was Prima Facie verified and then adopted for the purpose of initiation.

- v. As regards the argument that standing and scope of domestic industry has not been analysed for the POI, the Authority notes that the determination of standing at the time of initiation is based on information contained in the petition for the period for which data is available in the petition. In the instant case, it was seen that the domestic industry had requisite standing for the POI considered by the domestic industry in their petition. Even in cases where POI is kept the same as proposed by the domestic industry, the fact of standing is open for further verification and scrutiny. There is no material on record which shows that the petitioners prima facie might not have standing in the POI chosen by the authority. In case the petitioners loose standing in the POI chosen by the authority, the investigation would have to be terminated under Rule 14. The argument of the interested party tantamount to contending that the authority cannot chose a investigation period different from what has been suggested by the petitioners. There is however no obligation on the authority to consider only such period as the petitioners have proposed. The POI for the detailed investigation can be much different from the POI proposed in the petition. As noted in the relevant part of this finding, the domestic industry considered in this investigation has the requisite standing and fulfils the requirements of Rule 2 (b) in the proposed and adopted POI.
- vi. As regards exclusion of Saudi Arabia, the Authority had examined imports from Saudi Arabia at the stage of initiation and found that the injury margin in case of imports from Saudi Arabia was negative. Therefore Saudi Arabia was not considered as a subject country in the present investigation. In fact, there was a sufficient difference in the import price from China, Qatar and Saudi Arabia. Further during the investigation, the Authority confirms the aforesaid that injury margin of imports from Saudi Arabia is negative.

G. Normal Value (NV), Export Price(EP) and Dumping Margin(DM)

Views of Exporters, Importers, Consumers and other Interested Parties

25. The exporters, importers, consumers and other interested parties have raised following issues with regard to the normal value, export price and dumping margin:
- a. The normal value computed for Iran and Qatar is in contravention of Section 9A(1c) the Act, Annexure I of the AD Rules and Article 2 of the WTO ADA because it has been constructed by utilizing certain cost components relating to Indian domestic producers and certain cost components relating to other countries. The non-availability of information can't be cited as a reason for constructing the normal value based on methodologies that are inconsistent with the applicable legal provisions.
 - b. N-paraffin is produced by the manufacturers in Iran and Qatar from kerosene rather than purchased for manufacturing LAB. So, the use of import prices of N-paraffin for constructing the normal value for Iran and Qatar is erroneous.
 - c. The construction of normal value for China is also erroneous as it has been done based on the last option without exhausting the first 2 options of paragraph 7 of Annexure I of AD Rules.

- d. No evidence has been provided by the domestic industry for the adjustment made to arrive at the Export Price.
- e. The dumping margin determined by the Petitioners based on a flawed normal value and a lowered export price has artificially skewed the dumping margin upwards. The alleged dumping margin determined for the subject countries have been negative and nil during certain quarters in the POI. So, even with a skewed dumping margin imports from the subject countries have not been dumped in India.
- f. M/s ELP Advocates representing M/s SEEF, M/s Muntajat and M/s Renish have through letter dated 28th December, 2016 submitted that considering the third country sales to countries like South Africa for normal value may not be appropriate on account of different customer profile, level of trade etc.

Views of the Domestic Industry

26. The following are the submissions made by the petitioners in respect of normal value.
- i. China should be considered a non-market economy, in line with the position taken by the Authority in previous cases, and by investigating authorities in other countries. Chinese producers' cost and price cannot be relied upon for determination of normal value.
 - ii. Market economy status cannot be granted unless following conditions are fulfilled.
 - a. Market economy status cannot be given in a situation where one of the major shareholders is a State owned/controlled entity
 - b. Market economy status cannot be given unless the responding Chinese exporters establish that the prices of major inputs substantially reflect market values
 - c. Market economy status cannot be given unless the responding exporter establish that their books are audited in line with international accounting standards
 - d. Market economy status cannot be granted even if one of the parameters is not satisfied
 - e. The onus/obligations to establish market economy status is onto responding Chinese exporters and not onto the Designated Authority
 - f. Market economy status cannot be granted unless the responding company and its group as a whole make the claim
 - g. In a situation where the current shareholders have not set up their production facilities themselves but have acquired the same from some other party, market economy status cannot be granted unless process of transformation has been completely established through documentary evidence.
27. Normal Value cannot be determined on the basis of price or constructed value in a market economy third country for the reason that the relevant information is not publicly available.

28. Normal Value in China has been determined on the basis of cost of production in India, duly adjusted.
29. For determining the normal value for Iran and Qatar, efforts were made to get an evidence of actual transaction price of sale of the LAB in the domestic market of subject countries and prices at which the material is being exported from subject country to other countries. However, petitioners have not been able to get adequate and accurate evidence of the transaction prices either for the domestic market of the subject country or for exports to other countries. So the petitioners have constructed the normal value for subject countries on the basis of estimates of cost of production in subject countries.
30. As regards the evidence for export price adjustments, the petitioners provided evidence to the extent available and have made most conservative estimates wherever evidence is not available.
31. As regards N-paraffin as well, the petitioners have used the best information available. Since responses have been filed from exporters from the subject countries, the Authority is likely to consider them for determining normal value.
32. As regards utilizing the first two methods for normal value of China, it is submitted that firstly the relevant information is not publically available and secondly the petitioners have not been able to procure such information from a producer in a market economy third country.
33. The normal value and export price used for determining the dumping margin have been calculated as per the rules laid down in this regard. The dumping margin so determined, is not only more than de-minimis, but is also significant.

Examination by the Authority

Methodology for Dumping Margin evaluation – China

The Authority notes that under section 9(A)(1)(c), normal value in relation to an article means:

"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

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 exporting country or territory to an appropriate third country as determined in accordance with the rules made under sub-section (6); or*
- (b) *The cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs and for profits, as determined in accordance with the rules made under sub-section (6):*

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transhipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin."

34. The Authority further notes that as per Paragraph 8 of the Annexure I to the Anti Dumping Rules as amended, the presumption of a non-market economy needs to be rebutted if the exporter(s) from China PR provide information and sufficient evidence on the criterias specified in sub paragraph (3) in Paragraph 8 and establish to the contrary. The cooperating exporters/producers of the subject goods from China were required to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in the Market Economy Treatment questionnaire to enable the Designated Authority to consider according MET status to them.
35. The Authority sent questionnaires to the known exporters from China advising them to provide information in the form and manner prescribed, in the prescribed questionnaire and also as in para (35) above. However, only M/s Jiangsu Jintung Chemical Corp. Ltd. provided response and none of the other producers/exporters from China have filed questionnaires' responses. M/s Jiangsu Jintung Chemical Corp. Ltd has also not claimed Market economy treatment.

Since none of the Chinese companies have claimed market economy treatment, the Designated Authority has not determined the aspect of market economy and has adopted the consistent methodology of evaluating Normal Value, on the basis of the best available information as per Rule 6 (8).

The Authority notes that M/s Jiangsu Jintung Chemical Corp. Limited, producer, has exported goods in three transactions through two related entities viz M/s Sharpinvest and M/s Hotung Chemical Corp. Limited a quantity of *** MT and also approximately *** MT directly to two end users. M/s Sharpinvest and M/s Hotung Chemical Corp. Limited have filed response to questionnaire. It has also sold *** MT to an un-related trader, Dino-wik who has not cooperated. The Authority has undertaken analysis for the POI limiting to the data provided by the producer on its sales through related entities and directly to India and as for the other channel where the trader has not participated, analysis is not feasible. Therefore individual Dumping Margin determination for the cooperating producer is limited to its cooperating channels of exports, and the non responding export channel is treated as part of the residual

category. The dumping margin evaluation is undertaken for the entire POI on a weighted average basis

Normal value in China

As none of the producer/exporter from China have responded regarding normal value, the Authority has constructed the normal value for all producers/exporters on the basis of best available information in accordance with Rule 6 (8) by adopting cost of production in India with adjustments on account of international raw material prices, power costs as per Domestic Industry's data, normated conversion costs, SGA and a reasonable profit of *** % on the cost of production. The normal value comes to *** \$/MT for the POI.

Export Price for all producers/exporters in China

36. The Authority has determined export price of two channels of exports of M/s Jiangsu Jintung Chemical Corp. Limited separately.

The exfactory export price of *** MT of exports by M/s Jiangsu Jintung Chemical Corp. Limited through M/s Sharpinvest and M/s Hotung Chemical Corp. Limited has been determined by considering adjustments on account of bank charges, credit cost, packing and custom broker charges to an extent of ***, ***, ***and ***US\$/MT respectively from the gross CIF invoice value, considered as ***US\$/MT (CIF). The exfactory export price comes to ***\$/MT.

The exfactory export price of M/s Jiangsu Jintung Chemical Corp. Limited directly to end consumers in India is determined by considering adjustments on account of bank charges, credit cost, packing, custom broker charges, ocean freight and ocean insurance to an extent of ***, ***, ***, ***, ***, ***US\$/MT respectively on the gross invoice value considered as ***US\$/MT (CIF). The landed values of two channels have been computed by applying applicable basic customs duty and cess on the assessable value which is considered as CIF import price plus *** % landing charges. Transactions on FOB/CFR have been converted to CIF by adding appropriate expenses on insurance/ocean freight as applicable. For the non cooperating producer/exporter, highest dumping margin and injury margin are adopted from the margins of cooperating channels.

Dumping margin for Iran and Qatar

37. The Authority sent questionnaires to the known producers/exporters, advising them to provide information in the form and manner prescribed. Response to questionnaire was filed by the following in respect of product under consideration originating in Qatar. However, none of the producer/exporter from Iran co-operated in this investigation by filing Questionnaires' responses.

- i. M/s SEEF Limited, Qatar. (Producer)
- ii. M/s Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.J.S.C., Qatar (Exporter)
- iii. M/s Renish Petrochem FZE

Dumping Margin Determination for Qatar

In view of questionnaire response from the producer and exporter in Qatar, normal value and dumping margin in case of responding producer & exporters have been determined on the basis of questionnaire response filed by the producer and exporter from Qatar. The dumping margin has been determined separately for 2 channels viz through Muntajat to India and through Muntajat and Renish to India. The Authority keeping in view of submission of various interested parties on dumping evaluation aspects in respect of SEEF, Qatar has considered the normal value computed on the cost of production for the POI along with SGA and normal profits as per AD Rules. For the non responding channel i.e. M/s West Ford, the dumping and injury margin is considered as per methodology adopted for non cooperating producer/exporter i.e. considering highest dumping margin and injury margin during the POI on the basis of evaluation results for cooperating channels.

M/s SEEF Limited, the producer and its associated exporter i.e. M/s Qatar Chemicals and Petrochemical Marketing and Distribution Co. (Muntajat) Q.J.S.C. filed Questionnaire Response. The exporter and producer have an agreement on grant of exclusive selling rights to M/s Qatar Chemicals and Petrochemical Marketing and Distribution Co. (Muntajat) Q.J.S.C., the exporter, as per an agreed marketing fee formula for sales of all Quantity of subject goods produced by M/s SEEF Ltd. to all destinations viz domestic market, India and countries other than India. During POI, the exporter sold *** MT of subject goods to India and *** MT to countries other than India with no sales in their domestic market. The exporter has further exported to India through traders outside India and also directly to importing entities in India who are also traders. The response besides M/s Qatar Chemicals and Petrochemical Marketing and Distribution Co. (Muntajat) Q.J.S.C. has also been filed by M/s Renish Petrochem FZE trader in UAE. Out of *** MT sales to India in POI. M/s Qatar Chemicals and Petrochemical Marketing and Distribution Co. (Muntajat) Q.J.S.C. exported *** MT to M/s Ardor group (3 importers) in India and ***MT through M/s Renish Petrochem FZE.

The producer, 'M/s SEEF Limited' has also filed response stating the net proceeds received by it from M/s Muntajat and the Cost of Production (COP) of subject goods as per Questionnaire indicating claim of same cost of production for the PUC being sold to all destinations. For determining the COP/NV for Seef, the per unit cost of the product under consideration has been determined by considering various cost elements as verified and after adjusting by product realisation and adding actual profit during POI. For determining per unit cost

of different elements, inventory adjustment, Administration and selling and by product realisation have been divided by Sales Quantity while the other cost elements have been divided by production quantity. The normal value comes to ***US\$/MT including *** % profit on cost of production.

Export Price - Qatar

Adjustments considered on CFR price during POI are on account of Discounts, Freight, Credit Cost, Bank Charges, Custom Clearance Fee, Shifting Charges, Additional War Risk, interest charges, Surveyor Charges, and Marketing fee to an extent of ***, ***, ***, ***, ***, ***, ***, ***, ***, ***, and ***\$/MT respectively (on a weighted average basis) to determine Ex-factory Export Price in POI to India for exports by other channel i.e. Muntajat to India. In case of exports by Muntajat and M/s Renish the adjustments considered to determine Ex-factory export price in \$/MT are Freight (***); Custom clearance (***); Surveyor Charges (***); Marine Insurance (***); Marketing Fee (***); and Discounts (***). The 'marketing fee' paid to M/s Muntajat has also been adjusted to arrive of ex-factory export price of M/s SEEF Limited. As regards adjustment on higher molecular weight of PUC, no substantive evidence with quantification in cost or price was provided to consider this adjustment and is therefore not being considered. As regards the adjustment claimed on level of trade, the exporter provided difference in price to traders and users in different quarters of POI but the range and direction of price variation does not suggest any consistent trend for consideration of any such difference especially when quantity discounts are being granted by the exporter as a matter of its considered pricing policy to all its customers. Therefore the Authority has not considered this adjustment on export price. The exfactory export price for exports through Muntajat and that through Muntajat and Renish comes to ***\$/MT and ***\$/MT respectively.

IRAN

38. **Normal value in case of Iran**

As none of the producers/exporters from Iran have responded, the Authority has constructed the normal value for all producers/exporters on the basis of best available information in accordance with Rule 6 (8) by adopting cost of production in India with adjustments on account of international raw material prices, power costs as per Domestic Industry's data, normated conversion costs, SGA and a reasonable profit of *** % on the cost of production. The normal value comes to ***\$/MT for the POI.

Export Price

As none of the producers/exporters have cooperated, the Authority has adopted the DGCIS's import data for determining the CIF price. To evaluate the exfactory export

price, the Authority has considered adjustments on account of ocean freight, marine insurance, commission, bank charges and port expenses to an extent *** US\$/MT, ***% of CIF (***US\$/MT) , for all 3 adjustments i.e. commission, bank charges and port expenses is *** % of FOB (***US \$/MT) respectively. To determine the landed value of imports, basic customs duty and cess have been applied on assessable value considered as CIF with *** % landing charges. The CIF, exfactory export price and landed value are evaluated as ***US\$/MT, ***US\$/MT, ***US\$/MT respectively.

Dumping Margin

39. The exfactory export price to India has been compared with the normal value to determine dumping margin. The dumping margin during the POI for all exporters/producers from subject countries have been determined as provided in the table below.

40. It is seen that the dumping margins are significant and more than the limits prescribed under the Rules in respect of exports made from each of the subject countries.

Dumping Margin

A.

		Qatar		
S. No.	Producer	Exporter	Dumping Margin \$/MT	Dumping Margin (Range) %
i.	M/s SEEF Limited	M/s Muntajat	***	0 - 10
ii.	M/s SEEF Limited	M/s Muntajat and M/s Renish Petrochem FZE (Trader)	***	30 - 40
iii.	M/s SEEF	Weighted average i and ii above	***	0-5
iv.	Any	Any	***	30 - 40

B.

China PR	

S. No.	Producer	Exporter	Dumping Margin\$/MT	Dumping Margin % (Range)
i.	M/s Jiangsu Jintung Chemical Corp. Ltd	M/s Hotung Chemical Corp. and M/s Sharpinvest	***	10 - 20
ii.	M/s Jiangsu Jintung Chemical Corp. Ltd	M/s Jiangsu Jintung Chemical Corp. Ltd	***	20 - 30
iii.	Any other than above (i) and (ii)	Any other than above (i) and (ii)	***	20 - 30

C.

		Iran		
S. No.	Producer	Exporter	Dumping Margin \$/MT	Dumping Margin % (Range)
i.	Any	Any	***	10 - 20

H. DETERMINATION OF INJURY AND CAUSAL LINK

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

42. The Authority notes that the application for imposition of antidumping duty has been filed by M/s Tamilnadu Petroproducts Ltd and M/s Nirma Ltd on behalf of the domestic producers of the product concerned and was supported by IOCL and Reliance Industries Ltd. However later at the time of initiation, the Authority considered applicability i.e. M/s Nirma Ltd, M/s Tamilnadu Petroproducts Ltd as Domestic Industry. However during the course of investigation M/s Reliance Industries Ltd. who has initially supported the petition provided data which was verified and at the stage of final determination all 3 producers i.e. M/s Nirma Ltd, M/s Tamilnadu Petroproducts Ltd and M/s Reliance Industries Ltd. are considered as

Domestic Industry. Therefore, for the purpose of this determination the cost and injury information of the domestic industry as defined earlier has been examined.

Views of Exporters, Importers, Consumers and other Interested Parties

43. The exporters, importers, consumers and other interested parties have raised following issues with regard to the injury to the domestic industry:
- a. The trends of sales and market share of the petitioners is exactly opposite from that of the other Indian producers.
 - b. The analysis of the relevant economic factors and indices like (a) stock volume (b) no. of employees (c) wages (d) production (e) domestic sales (f) market share (g) profitability and (h) return on capital shows that domestic industry did not suffer any injury.
 - c. The rate of goods from China PR has increased from INR / MT 94632 to INR / MT 96381 in the injury period. The assessable value has also increased from INR/MT 95578 to INR / MT 97344.
 - d. There is lack of causal link because the injury to the domestic industry, if any, the same may be attributed to other factors as admitted by TNPL in its 30th Annual Report for 2014-15.
 - e. Performance has not improved in terms of production, sales, capacity utilization, productivity, wages and inventory. Moreover the performance of the two petitioners is very different in that TNPL has outperformed Nirma.
 - f. The volume of imports from subject countries has been alleged to have increased by 26% while the sales of the petitioners have decreased by 8% over the injury period. However, volume of imports from other countries has risen substantially by 197%.
 - g. There is an undue dropping of prices in the range of 10% below the prices of imports from subject countries and other countries by the petitioners.
 - h. The Saudi Arabia imports have had greater impact in terms of both volumes and prices.
 - i. The other economic factors such as volume of sales, market share and production improved during POI. The closing stock reduced notable and the wages increased significantly. Productivity per day and per employee also enhanced over the POI. During 2012-13 and 2013-14 the decline in subject country imports were not alleged to be sold at dumped prices, the sales and production of the petitioners were decreasing significantly and the market share remained stable while the inventory increased significantly.
 - j. In 2012-13 and 2013-14 when the prices of imports were increasing, the domestic prices of the petitioners were also increasing.
 - k. TNPL cannot suffer injury from imports of the subject goods from Qatar because TNPL is established in the south East of India while the Exporter only sells to the North West.
 - l. Nirma is a detergent manufacturer that has a backward integrated plant to produce its own LAB and therefore does not directly compete with subject imports from Qatar. Nirma find it difficult to sell its LAB to direct competitors and its market share has deteriorated due to shifting of focus on non-detergent and non-LAB based industries.
 - m. The petitioners are not integrated and therefore their costs are not competitive. TNPL uses old technology as reported in its 2014-15 Annual Report.

- n. Due to high kerosene costs and feedstock quality issues, as reported in TNPL's 2014-15 Annual report, the cost of production of LAB in India has been relatively higher than the international standards.
- o. The Petitioners started suffering losses because of the fall in crude oil prices and cash flow issues as reported by TNPL in its Annual Report for 2014-15.
- p. Sales of other domestic producers are nearly twice the volumes of sales of the Petitioners. Also, the sales of the other domestic producers have been steadily increasing through the course of the injury period and the POI. While the sales of the domestic industries declined in 2013-14 as compared to the previous year, the sales of the other domestic producers increased in the same period.
- q. Both RIL and IOCL are backward integrated unlike the petitioners, as a result of which the petitioner companies have significant disadvantages as compared to RIL and IOCL. As the domestic industry relies on RIL and IOCL for supply of feedstock, the domestic industry is at a significant disadvantage.
- r. The trend in the import volumes from the subject countries has been the same as the trend in the sales of the domestic industry. Also, during 2013-14 when imports from the subject countries declined, so did the sales of the domestic industry. The sales of the other domestic producers increased. So, if at all the domestic industry is being negatively impacted, the same is being caused by sales of the other domestic producers.
- s. Certain domestic producers have faced electricity issues which resulted in increase in its fixed costs and production costs of LAB for the domestic industry is higher as compared to international standards due to higher raw material prices as reported in the TNPL Annual report for 2014-15.
- t. TNPL has a constraint in respect to converting kerosene to normal paraffin which is a source of injury, as reported in the TNPL Annual Report 2014-15.
- u. The internal transfers of Nirma Ltd have decreased during last four years which must be examined into the injury assessment.
- v. Imports from the subject countries are at nearly the same price as imports from Saudi Arabia. If the reason for terminating the investigation against imports of Saudi Arabia is based on the negative injury margin then the imports from the subject countries cannot be found to have a negative price effect on the sales of the domestic industry. The prices from China PR in the POI were only 2% lower than the prices from Saudi Arabia. And the import prices from Iran and Qatar were only 4% and 2% lower than the prices from Saudi Arabia respectively.
- w. There is no decline in the economic parameters of the domestic industry like production, capacity utilization, sales volume, sales value and inventory.
- x. The difference between Farabi price and China price is only 2% as per the petitioners' data. The Designated Authority has found negative margin in case of Farabi and the same should be applied in GOC's case.
- y. GOC has started exporting to India only in 2014-15 and therefore there cannot be any injury on account of GOC.
- z. Chinese exports to India in POI is meagre 1.48% of the Indian demand which cannot be termed as dumping.
- aa. As per Indian import data, average import price of Chinese product is US\$ 1540 per tonne during May 2014 to Jan 2016. From a high of USD 1800 in May 2014 to low of 1200 in Jan 2016. Average export price of Indian manufacturer in that period is USD 1380 that is 10% lower than at the price being imported. From a high of USD 1580 in May 2014 to low of USD 900 in Jan 2016. Indian LAB

- producers are exporting their product at lesser price than the price at which LAB is being imported into the country.
- bb. The decline in output, if any, was because, two middle-east based n-paraffin producers underwent maintenance in March and April 2015; technical issues at the plants or feedstock normal paraffin (n-paraffin) shortages; and continued increase in production from 2012-2015 as shown by Reliance data.
 - cc. IOCL is now producing at 120% of their capacity, it should be verified.
 - dd. Market share of domestic industry is 82%, whereas in their submission to DG Safeguard, market share in 2008-09 was 78.84%. That means the import market share has come down from 21.16% in 2008-09 whereas demand has gone up by 66% in last 5 years.
 - ee. As regards contention of the petitioners concerning decline in profits, the interested parties have contended as follows
 - i. decline in profits, if any, would be on account of volatility, no secure supply of raw material to petitioners, maintenance shut down, low production due to normal paraffin shortage and price under cutting with other two leading domestic manufacturers.
 - ii. The lack of upstream integration to key raw materials may be reason for low profitability of petitioners.
 - iii. The selling price has declined internationally due to fall in crude oil price and subsequently raw material.
 - iv. Big manufacturers are selling most of their produce on formula based pricing so as it is shielded from import price.
 - ff. One petitioner's most of the production is for captive consumption. Further their exports are down by 75%.
 - gg. Another petitioner is exporting at lesser price than the price at which it is being imported, whenever they export.
 - hh. LAB imports are coming in India from China at International prices like they come into any other country of the world.
 - ii. China has sold only 20304 MT POI which is 3.5% of total India's demand.
 - jj. GOC has sold just 600 MT in Chennai port from April 2014 to June 2015 which is 0.5% domestic manufacturer TPL production capacity in South.
 - kk. Import at Chennai from all exporters is less than 5000 MT in a year which is 4% of TPL monthly production capacity. This in turn means 96% market is available for domestic producer.
 - ll. GOC has not sold any quantity in west coast of India except for 2 months in POI and even till date.
 - mm. LAB export has also started from Chennai port resulting in domestic shortage in South as there is only one manufacturer there.
 - nn. There is no manufacturer at East coast. Logistic cost is high from west coast to east coast. Most of the supplies from one of the countries in year 2015 have been to East Coast, i.e., Kolkata of meagre 3600 MT for PIO.
 - oo. GOC's all exports to India have been done at par or at higher price as compare to China domestic prices.
 - pp. The customs duty of 7.5% is sufficient protection for the domestic industry.
 - qq. There is no significant increased import causing material serious injury.
 - rr. The imports meant to manufacture final products destined for export should be excluded. If done so, then share of import becomes significantly lower. Beside

- there have been so many imports on behalf of Indian HUL meant for their Bangladesh and Nepal factory so those are also for exports.
- ss. The companies seeking anti dumping duty protection are financially strong and large conglomerates.
 - tt. Domestic sales are being substituted by Exports. Chennai has also started exporting.
 - uu. There is no causal link. Plant shut downs are not on account of imports. The injury if any is on account of crash in crude oil price and volatility in the price.
 - vv. There is huge shortage in India due to demand more than installed capacity.
 - ww. LAB market will expand globally at a compound annual growth rate of 4.3% during 2012-18 and consumption in India is expected to reach 5,95,000 MT by 2016-17 which far exceeds domestic production capacity. So there is enough space for domestic producer to grow.
 - xx. There is plenty of opportunity in international market for domestic industry; if they focus on exports, they can regain their lost ground.
 - yy. Any imposition of anti-dumping duty will impose hardship on users of LAB.
 - zz. Import has not caused any injury to LAB manufacturers as overall economy worldwide is in stress.
 - aaa. There has been an increase in demand over last 5 years by almost 66% but installed capacity has not increased. On the contrary, capacity has gone down by 60,000 MT. Also there has been increase in sales by domestic manufacturer by 50% as per their data in last 5 years. This is despite the fact that their export has fallen by 60% in 2006-07.
 - bbb. During 2013-14, there was a decline in imports, the sales of the domestic industry also declined during this same period. That means import is not the reasons for their loss.
 - ccc. The remaining inventories with the domestic industry are on account of substantial decline in the exports of the domestic industry.
 - ddd. The petitioner's data shows 93% capacity utilization and the Reliance data also shows increase in capacity utilization due to continuous increase in production.
 - eee. The reduced return on investment is likely to affect the profit growth.
 - fff. The imposition of antidumping duty is not in public interest since the demand supply gap is addressed by imports. The product under consideration is also used in production of key products such as detergents and pesticides and industries that cater to lower strata of society.

Views of the Domestic Industry

44. The following are the submissions made by the petitioners in respect of injury determination:
- a. There has been an increase in volume of imports from subject countries over the injury period with significant increase in the POI.
 - b. Imports from subject countries constitute almost 62% of share amongst total imports.
 - c. There has been a significant increase in imports over the period in absolute terms and in relation to production and consumption in India.

- d. The landed price of imports is below the selling prices of domestic industry resulting in significant price undercutting of the prices of the domestic industry in the market.
- e. Landed price of Imports have remained below the level of cost of production throughout the injury period.
- f. Both, cost of sales and selling price increased upto 2013-14 and then declined in the POI. However, decline in selling price is much below the level of cost of sales. Thus, imports have had significant depressing effect on the prices of the domestic industry in the market during the POI. Furthermore, even when selling price increased in the previous years, i.e 2012-13 and 2013-14, the same remained below the level of cost of sales resulting into losses.
- g. The principal factor responsible for the domestic industry prices is the landed prices of the subject goods. Given lower import prices, the domestic industry is facing significant suppressing effects of the dumping in the domestic markets.
- h. Production of domestic industry has declined drastically over the injury period. Production improved slightly in the POI as compared to the previous year; however, the same was still below levels achieved earlier and at the cost of significant financial losses.
- i. Sales of the domestic industry declined till 2013-14 and have thereafter increased in the POI. However, sales still remains at lower level as compared to 2011-12 and 2012-13.
- j. Despite demand for the product under consideration being more than capacity available in India, the capacity utilisation of the domestic industry has declined significantly. The capacity utilisation which was 81% in the base year declined to 64% in the POI.
- k. Market share of the dumped imports has increased over the injury period, whereas the market share of the domestic industry declined over the injury period. Market share of other domestic producers increased till 2013-14, however declined thereafter in the POI.
- l. Profits of the domestic industry declined sharply throughout the injury period.
- m. Cash profit also declined over the injury period. Profit before interest also declined significantly over the period and is negative since 2012-13. Resultantly, return on investment has also remained negative in 2012-13.
- n. The employment level of the domestic industry shows an increase over the injury period. Wages have shown normal increases highlighting an increase in cost for labour. Further, productivity per day as well as per employee has declined in consonance with the decline in production.
- o. The level of inventories increased upto 2013-14 and has declined in the proposed POI, however, remains significant.
- p. In response to the submissions of opposing interested parties on existence of injury to the domestic industry and causal link, the domestic industry has made following submissions.

- i. The allegation of opposite trend of sales and market share is factually incorrect. The market share of the domestic industry has declined whereas the market share of the other Indian producers remained stagnant over the injury period.
- ii. With regard to argument pertaining to increase in rate of goods from China, it should be noted that there is positive price undercutting i.e. the landed value of China PR is still below the net selling price of the domestic industry.
- iii. With regard to admission of other factors causing injury in TNPL's annual report, it is to be noted that statements in Annual report are not with regard to deterioration in performance of the domestic industry over the injury period. The statements in the annual report do not provide complete picture with regard to deterioration in performance over the injury period of the product concerned in the anti-dumping case.
- iv. Contrary to allegations, both the petitioners were suffering losses.
- v. As regards the increase in volume of imports from other countries it is noted that the domestic industry is facing volume injury as well price injury. The volume and price injury faced by the domestic industry is only on account of the dumped imports from the subject countries.
- vi. The allegedly undue decrease in price is denied to be factually incorrect. The domestic industry has sold at prices higher than that of subject countries as reflected from the positive price undercutting.
- vii. As regards the argument of declining subject country imports during 2012-13 and 2013-14, the performance of domestic industry declined on account of many parameters and it is not necessary to show that each listed parameter is declining. Domestic industry has suffered losses on account of dumped imports and therefore seeking relief under Anti-Dumping Rules.
- viii. As regards the price increase trend in 2012-13 and 2013-14 is concerned the price of domestic industry could not increase in proportion to the increase in the landed value of imports. While the landed value has increased by 121 points as compared to 2011-12, the selling price has increased by only 113 points during the same period.
- ix. As regards the argument of exporter selling product under consideration only to the North and West India, it is submitted that injury has to be seen for the domestic industry as a whole and not for the constituents separately.
- x. As regards captive consumption of LAB by Nirma, it is submitted that substantial portion of its production is meant for merchant market. Further Nirma is forced to shift its focus to non-detergent and non-LAB based industries because of the unviable price of LAB due to dumped subject imports.

- xi. As regards the costs and integration of petitioners, TNPL uses comparable technology and it is not required under the antidumping law that all the producers of subject goods should be integrated in order to seek protection.
- xii. As regards the issue of higher cost of kerosene and feedstock quality issues, it is submitted that the cost of production of the domestic industry is to be seen as per the cost and price prevailing in India and not on the basis of international price. The impact of feedstock is on production and not on profits. In fact, if the domestic industry produced lower volume, it had lower pressure to sell the product and if the domestic industry has lower volumes, it had lower pressure for sales. Therefore, the alleged factor should not have resulted in steep decline in profits to such an extent where domestic industry suffered significant financial losses from a situation of profits.
- xiii. The domestic industry started suffering losses only on account of steep fall in the price of LAB due to the dumped imports of the product concerned from the subject countries, and has not suffered injury due to fall in crude oil prices or cash flow issues.
- xiv. As regards the argument that sales of domestic producers have increased substantially, it is submitted that while the market share of the domestic industry has declined, the market share of other domestic producers remained stagnant, therefore it is not correct to state that domestic industry has not suffered injury on account of dumped import.
- xv. As regards backward integration of RIL and IOCL and its impact on feedstock supply, it is submitted that domestic industry never had any problem in procurement of raw material. The injury to the domestic industry is solely on account of the dumped imports of the subject goods from the subject countries.
- xvi. The allegation with respect to trend of import volumes and its comparison with sales trend of domestic industry is factually incorrect. While the domestic industry sales have declined, the imports from the subject countries have increased.
- xvii. As regards the argument based on TNPL annual reports pertaining to electricity issues and other issues being faced by domestic industry it is reiterated that public statements in the Annual Report do not alter the conclusion that dumping of the product has contributed to the injury suffered by the domestic industry. The statements in the annual report are not with regard to deterioration in performance of the domestic industry over the injury period. The Authority is concerned with performance of the domestic industry over the injury period. The Annual Reports are however focused only on the period under consideration. Also, the Authority is concerned about domestic operations, whereas the Annual Reports are concerned about

company's overall operations. Thus, the statements in the annual report do not provide complete picture with regard to deterioration in performance over the injury period of the product concerned in the anti dumping case. Further, the cost of production of the domestic industry is to be seen as per the cost and price prevailing in India and not on the basis of international price.

- xviii. As regards the issue of internal transfers of Nirma Ltd, what is more relevant is the domestic sales of the domestic industry and not its captive transfer. The injury needs to be determined for domestic market/sale. It may be seen from the data provided by domestic industry that the domestic industry has suffered material injury on the domestic sale segment.
- xix. As regards injury on account of GOC, it is to be seen whether there were imports beyond de-minimis limits in the POI, whether the same were at dumped price, and whether the same were causing injury to the domestic industry. There is no legal requirement that imports from each of the subject countries must have been occurring throughout the investigation period.
- xx. It is factually incorrect that the Chinese export to India is only 1.48% of the Indian demand. The correct figure is more than more than 3%. Further, this argument is irrelevant as the import from China is 10% of the total imports as against the de-minimus limit of 3%.
- xxi. The argument with regard to exports by Indian LAB producers is irrelevant for the present investigation as the domestic industry has exported very negligible volume of the subject good and in any case, injury if any, on account of such exports has already been segregated.
- xxii. The arguments to show reasons for decline in output are baseless. The decline in output is due to cheap import of LAB and not the shortage of feedstock. The domestic industry has consumed imported n-paraffin only 14% of its total requirement. Further the petitioners have not claimed volume injury. Petitioners have claimed adverse price effect of dumped imports of the domestic industry.
- xxiii. As regards post POI performance of IOCL, post POI performance of other domestic producer is irrelevant for the present investigation as the domestic industry is seeking protection from the injurious effect of dumped imports during the POI from the subject countries.
- xxiv. It is factually incorrect that the market share of domestic industry is 82% and the market share of imports from subject country has come down. On the contrary, the market share of imports from subject country has increased over the injury period and the market share of the domestic industry has declined from 35% to 26% during the injury period.

- xxv. Reduced profit is on account of lower selling price due to dumped imports. The injury to the domestic industry is required to be determined in respect of PUC. Injury is not required to be determined in respect of producer and all its operations. In fact, it is very well understood that in case the company were backward integrated or forward integrated, the authority shall determine injury to the domestic industry only in respect of production and sale of PUC.
- xxvi. As regard decline in selling price internationally, if the selling prices have declined in the domestic and export market to the same extent, there should be no dumping. However, if the product has exported at dumped price, it implies that the product was being sold in the domestic market at the price higher than the export price.
- xxvii. As regards captive consumption, the information on record clearly demonstrates that the significant proportion of production is meant for merchant market.
- xxviii. As regards exports at low price, petitioners submit that the same is result of dumping in the Indian market. Further, the petitioners are facing low price exports being made by subject countries to other markets where petitioners are exporting. Evidently, the petitioner will get a low price in exports.
- xxix. The import price from China is at dumped prices. The argument that the imports are coming at International prices are not relevant. What is more relevant is the fact that the imports are coming at dumped prices.
- xxx. As regards various arguments of GOC pertaining to geographical locations in India and its impact of the injury it is submitted that the injury has to be seen for the domestic industry as a whole and not for its constituents separately. Further as regards export of LAB, the domestic industry has exported only a small quantity of LAB during POI.
- xxxi. The imports from GOC whether done at par or at higher price as compared to China domestic prices is not relevant as China is an NME country and the domestic price is not relevant for normal value determination. Based on the normal value computed by domestic industry, the dumping margin for China PR is significant.
- xxxii. The submission with regard to customs duty of 7.5% has no relevance.
- xxxiii. There were significant imports at dumped prices in POI causing at material injury to domestic industry.
- xxxiv. As regards argument concerning imports meant for products destined for exports, there have been plethora of cases wherein the Authority has included imports under advance license for examination of dumping and injury. Authority has in other cases also held that the fact that the imports were made under advance licence does not mean that the same does not cause injury to the domestic industry.

- xxxv. As regards arguments concerning financial strength of the petitioner companies, it is submitted that the domestic industry is suffering financial losses since 2012-13 and the same has intensified in the POI. The deterioration is significant and material.
- xxxvi. As regards exports by domestic industry, they are very insignificant during the POI.
- xxxvii. As regards the demand supply argument, it is submitted that exporters from the subject countries cannot export at dumped prices causing injury to the domestic industry on the plea that there is a demand supply gap. Further, during POI, the installed capacity of the producers in India is more than the demand of the subject goods. The domestic industry is having unutilised capacity due to the dumped imports from the subject countries.
- xxxviii. As regards global expansion of LAB market, the domestic industry will manage to grow only when there would be imposition anti-dumping duty on the dumped imports of LAB from subject countries.
- xxxix. The advice to domestic industry to focus on exports is misplaced as the domestic industry is not seeking any concession rather it is praying for a level playing field.
 - xl. The users of LAB will have more competitive sources of supply due to imposition of antidumping duty.
 - xli. As regards allegation of high capacity utilization, the petitioners have not claimed volume injury in the present case. Petitioners have claimed adverse effect of dumping on the price parameter of the domestic industry.
 - xlii. Assumption of reduced return on investment affecting profit growth established dumping causing injury to the domestic industry.

Examination by the Authority

- 45. The Authority has taken note of submissions made by the interested parties. The Authority has examined the injury to the domestic industry in accordance with the Anti-dumping Rules and considering the submissions made by the interested parties.
- 46. Rules require the Authority to examine injury by examining both volume and price effect. A determination of injury involves an objective examination of both (a) the volume of the dumped imports and the effect of the dumped imports on prices in the domestic market for the like article and (b) the consequent impact of these imports on domestic industry. With regard to the volume of dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or relative to production or consumption in India. With regard to the effect of the dumped imports on prices the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree.

47. As regards the consequent impact of dumped imports on the domestic industry, Para (iv) of Annexure-II of Anti-dumping Rules states as under:

“The examination of the impact of the dumped imports on the domestic industry concerned, shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including natural and potential decline in sales, profits, output market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments.”

48. All parameters of injury need not show deterioration. While some parameter may show deterioration, some may show improvement. The Designated Authority must consider all injury parameters and thereafter conclude whether the domestic industry has suffered injury.

49. The landed value has been appropriately adjusted with discounts offered by M/s Muntajat as credit adjustments on export proceeds to them.

50. The Authority has examined the injury parameters taking into account facts and various submissions. The examination below addresses issues raised by the interested parties.

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

Cumulative Assessment

52. Annexure II of the Anti-Dumping Rules provides that in case imports of a product from more than one country are being simultaneously subjected to anti-dumping investigations, the Designated Authority will cumulatively assess the effect of such imports, in case it determines that: -

- a) the margin of dumping established in relation to the imports from each country/ territory is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent of the imports of the like article or where the export of the individual countries is less than three percent, the imports cumulatively accounts for more than seven percent of the imports of like article, and;
- b) cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.

53. In the present case,

- a) the margin of dumping from each of the subject countries is more than the limits prescribed above;
- b) the volume of imports from each of the subject countries is more than the limits prescribed;
- c) cumulative assessment of the effects of imports is appropriate since the exports from the subject countries directly compete with the like goods produced and sold by the domestic industry in the Indian market. There is no submission made by any interested party disputing cumulative assessment in the present case.

54. In view of the above, the authority considers it appropriate to cumulatively assess the effects of imports.

Assessment of Demand

55. For the purpose of assessment of the domestic consumption/demand of the subject goods, the sales volume of domestic industry and other Indian producers have been added to the total imports into India and the same has been summarized below:

Demand including Captive consumption

	Units	2011-12	2012-13	2013-14	POI- A	POI
Sales of DI	MT	2,72,963	2,76,097	2,68,849	2,77,987	3,47,483
Other producers	MT	***	***	***	***	***
Subject imports	MT	84,218	70,718	68,203	1,02,859	1,28,574
Other imports	MT	21,289	55,363	49,604	63,236	79,044
Demand/consumption	MT	***	***	***	***	***
Demand/consumption	Indexed	100	109	105	117	147

Demand Excluding Captive consumption

	Units	2011-12	2012-13	2013-14	POI-A	POI
Sales of DI	MT	2,24,390	2,27,036	2,27,605	2,44,078	3,05,097
Other producers	MT	***	***	***	***	***
Subject imports	MT	84,218	70,718	68,203	1,02,859	1,28,574
Other imports	MT	21,289	55,363	49,604	63,236	79,044
Demand/consumption	MT	***	***	***	***	***
Demand/consumption	Indexed	100	109	108	123	153

POI-A = (POI annualized)

56. It is seen that the demand shows rising trend whether captive consumption is included or excluded. Interested parties contended that injury to the domestic industry is due to decline in captive consumption. However, since demand excluding captive consumption has also increased, injury to the domestic industry cannot be attributed to decline in captive consumption.

I. Volume Effects of Dumped Imports

Import volume and market share

57. 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 DGCIS's import data. The volume of imports of the subject goods from the subject countries are as under:

Import	Units	2011-12	2012-13	2013-14	POI –A	POI
China	MT	514	-	-	16,227	20,283
Iran	MT	37,587	30,941	20,841	28,610	35,762
Qatar	MT	46,117	39,777	47,362	58,023	72,529
Subject Countries	MT	84,218	70,718	68,203	1,02,859	1,28,574
Others	MT	21,289	55,363	49,604	63,236	79,044
Total	MT	1,05,507	1,26,081	1,17,807	1,66,095	2,07,619

58. It is noted that imports from subject countries declined in 2013-14. However Imports increased significantly in the POI from subject countries.

59. Imports from subject countries declined in relation to production and consumption in India till 2013-14. Imports from subject countries increased significantly in POI in relation to production and consumption of the subject goods in the domestic market, as is seen from the table below

Particulars	Units	2011-12	2012-13	2013-14	POI -A
Share of Subject import in consumption inclusive of captive consumption	%	17.60	13.61	13.53	18.32
Share of import in consumption excluding captive consumption	%	19.59	15.03	14.74	19.50
Imports in relation to production	%	23.94	21.04	22.55	34.74

J. Price effect of imports

60. With regard to the effect of the dumped imports on prices, the Designated Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like products in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. The impact of dumped imports on the prices of the domestic industry has been examined with reference to the price undercutting, price suppression and price depression, if any.

Price Undercutting

61. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, the Authority has compared landed price of imports with net sales realization of the domestic industry. The Authority has noted the argument of the domestic industry of significant fluctuation in raw material prices and has thus determined quarterly undercutting for the POI.

Price undercutting	China					
Particulars	Unit	2011-12	2012-13	2013-14	POI-A	POI
Import	MT	514	-	-	16,227	20,283
Import value	Rs. Lakhs	486	-	-	15,638	19,547
CIF price	Rs./MT	94,632	-	-	96,370	96,370
Assessable value	Rs./MT	95,578	-	-	97,334	97,333
Custom duty amount	Rs./MT	7,168	-	-	7,300	7,300
Cess	Rs./MT	215	-	-	219	219
Landed value	Rs./MT	1,02,961	-	-	1,04,853	1,04,852
Selling price DI	Rs./MT	***	-	-	***	***
Price undercutting	Rs./MT	***	-	-	***	***
Price undercutting	Range	0-10	-	-	0-10	0-10

Price under cutting	Iran					
Particulars	Unit	2011-12	2012-13	2013-14	POI-A	POI
Import	MT	37,587	30,941	20,841	28,610	35,762
Import value	Rs. Lakhs	32,626	30,897	22,461	26,838	33,547
CIF price	Rs./MT	86,801	99,859	1,07,772	93,806	93,806
Assessable value	Rs./MT	87,669	1,00,857	1,08,849	94,744	94,744
Custom duty amount	Rs./MT	6,575	7,564	8,164	7,106	7,106

Cess	Rs./MT	197	227	245	213	213
Landed value	Rs./MT	94,442	1,08,648	1,17,258	1,02,063	1,02,063
Selling price of DI	Rs./MT	***	***	***	***	***
Price under cutting	Rs./MT	***	***	***	***	***
Price under cutting	Range	0 to(-10)	0 to(-10)	0 to(-10)	0-10	0-10

Price under cutting	Qatar					
Particulars	Unit	2011-12	2012-13	2013-14	POI-A	POI
Import	MT	46,117	39,777	47,362	58,023	72,529
Import value	Rs. Lakhs	42,096	40,756	52,385	56,213	70,266
CIF price	Rs./MT	91,281	1,02,462	1,10,606	96,880	96,880
Assessable value	Rs./MT	92,194	1,03,486	1,11,712	97,849	97,849
Custom duty amount	Rs./MT	6,915	7,761	8,378	7,339	7,339
Cess	Rs./MT	207	233	251	220	220
Landed value	Rs./MT	99,316	1,11,481	1,20,341	1,05,407	1,05,407
Selling price of DI	Rs./MT	***	***	***	***	***
Price under cutting	Rs./MT	***	***	***	***	***
Price under cutting	Range	0 to(-10)	0-10	0-10	0-10	0-10

62. It is seen that the landed price of the subject goods from each of the subject countries were below the selling price of the domestic industry during POI, showing price undercutting being caused by the dumped imports from subject countries.

Price Suppression / depression

63. In order to determine whether the dumped imports are suppressing or depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority considered the changes in the costs and prices over the injury period. The position is shown as per the table below:

Particulars	Unit	2011-12	2012-13	2013-14	POI
Cost of sales	Rs/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	116	124	114
Selling price	Rs/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	108	115	98
Landed Price	Rs/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	113	123	107

The selling price in POI has declined as compared to base year while cost of sales has increased.

64. The Authority notes that cost of sales and selling price increased upto 2013-14 and then declined in the POI. However, the decline in selling price over the period is far more than decline in cost of sales. In fact, whereas the selling price declined by Rs. *** pmt as compared to preceding year, the costs declined by Rs. *** as compared to previous year. Thus, imports have had significant suppressing and depressing effect on the prices of the domestic industry in the domestic market.

Price-underselling

65. The Authority has also examined price underselling suffered by the domestic industry on account of dumped imports from the subject countries, as follows:

Price under selling (POI)		
Non-Injurious Price	US\$/MT	***
Selling price	US\$/MT	***

The selling price is below the NIP determined for POI. Price underselling is 5 – 15 %.

66. It is seen that the landed price of imports were below the non-injurious price of the domestic industry. The domestic industry has suffered significant price underselling during the investigation period on account of imports of the subject goods from the subject countries.

K. Economic parameters of the domestic industry

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

i. Production, Capacity, Capacity Utilization and Sales

68. The performance of the domestic industry with regard to production, domestic sales, capacity & capacity utilization is as follows:

	Unit	2011-12	2012-13	2013-14	POI -A	POI
Capacity	MT	4,12,400	4,12,400	4,12,400	4,12,400	5,15,500

Production of DI	MT	3,51,722	3,36,098	3,02,443	2,96,064	3,70,080
Capacity Utilization	%	85%	81%	73%	72%	72%
Sales of DI	MT	2,24,390	2,27,036	2,27,605	2,44,078	3,05,097
Captive consumption	MT	***	***	***	***	***
Export sales	MT	***	***	***	***	***
Total sales of DI	MT	3,45,092	3,23,109	3,09,374	3,07,264	3,84,080

69. It is noted from that

- capacity with the domestic industry have remained at the same levels;
- production of domestic industry declined significantly over the injury period.
- capacity utilisation of the domestic industry declined significantly over the injury period, when compared to base year.
- sales of the domestic industry increased over the injury period.

ii. Market share in demand

70. The effects of the dumped imports on the domestic sales and the market share of the domestic industry have been examined as below:

Share in Demand including captive consumption

	Unit	2011-12	2012-13	2013-14	POI
Domestic industry	%	57%	53%	53%	50%
Other producers	%	21%	23%	23%	21%
Subject imports	%	18%	14%	14%	18%
Other imports	%	4%	11%	10%	11%
Demand/consumption	%	100%	100%	100%	100%

Share in Demand excluding captive consumption

	Unit	2011-12	2012-13	2013-14	POI
Domestic industry	%	52%	48%	49%	46%
Other producers	%	23%	25%	25%	22%
Subject imports	%	20%	15%	15%	19%
Other imports	%	5%	12%	11%	12%
Demand/consumption	%	100%	100%	100%	100%

71. Market Share of Domestic Industry has decreased from 52% in 2011-12 to 46% in POI. The market share of the subject countries declined upto 2013-14 and then increased in the POI, whereas the market share of the domestic industry declined upto 2013-14 and then increased in the POI. It is further noted that market share of other domestic producers increased till 2013-14 and declined thereafter in the POI. However as compared to base year Market share of other producers has risen.

iii. Profits, returns on investment and cash profits

72. The cost of sales, selling price, profit/loss, cash profits and return on investment of the domestic industry has been analysed as follows:

	Unit	2011-12	2012-13	2013-14	POI -A	POI
Cost of sales	Rs./MT	***	***	***	***	***
Indexed	Trend	100	116	124	114	114
Selling price	Rs./MT	***	***	***	***	***
Indexed	Trend	100	108	115	98	98
Profit/loss	Rs./MT	***	***	***	(***)	(***)
Indexed	Trend	100	11	13	(101)	(101)
Total profit/loss	Rs.Lacs	***	***	***	(***)	(***)
Indexed	Trend	100	11	13	(110)	(137)
Cash Profit	Rs.Lacs	***	***	***	(***)	(***)
Indexed	Trend	100	79	52	63	78
PBIT-Domestic	Rs.Lacs	***	***	***	(***)	(***)
Indexed	Trend	100	28	26	(88)	(110)
ROI	%	***	***	***	(***)	(***)
Indexed	Range	35 - 45	5-15	5 -15	(30) to (40)	(30) to (40)

- whereas the cost of production and selling price increased till 2013-14, both declined in the POI. As imports were suppressing and depressing the domestic prices, the profitability of the domestic industry declined. The domestic industry also suffered financial losses in the POI.
- cash profit declined significantly over the period and became negative from base year;
- profit before interest declined significantly over the period and became negative in POI. Resultantly, the return on investment declined significantly over the injury period and became significantly negative in POI;
- Interested parties contended that the domestic industry suffered financial losses due to inter-se competition. The interested parties also contended that there is a demand-supply gap in the product under consideration and imports are inevitable. It is noted that the demand for the product under consideration during the POI was 561,442 MT. As against this, the capacity created by the Indian industry is 5,15,500 MT. Thus, there was an admitted demand-supply gap for the product in the Country. In a situation where the demand for the product under consideration in the country is higher than the combined capacities with the domestic industry, significant decline in profitability of the domestic industry to the extent that the domestic industry has suffered significant financial losses, negative cash flow and negative return on capital employed cannot be addressed by possible increasing inter-se competition amongst domestic producers. It is also noted in this regard that the capacities with the domestic producers have not increased over the injury period, whereas the demand for the product under consideration has shown 22% increase over the injury period. This should have in fact led to somewhat decline in competition but not increase in inter se competition.

iv. Inventories

73. The data relating to inventory of the subject goods are shown in the following table:

Particulars	Unit	2011-12	2012-13	2013-14	POI -A
Opening stock	MT	***	***	***	***
Closing stock	MT	***	***	***	***
Average stock	MT	12,195	21,999	24,704	13,902

It is noted that the level of inventories with the domestic industry increased upto 2013-14 and has declined towards end of the POI.

v. Employment, Productivity and Wages

74. The position with regard to employment, wages and productivity is as follows:

Particulars	Unit	2011-12	2012-13	2013-14	POI -A
Employment	No.	853	984	791	797
Wages	Rs.Lacs	***	***	***	***
Indexed	Trend	100	104	94	116
Productivity per day	MT/day	***	***	***	***
Indexed	Trend	100	96	86	84
Productivity per employee	MT/Nos	***	***	***	***
Indexed	Trend	100	83	93	90

It is noted that the employment level with the domestic industry has decreased over the injury period. Wages paid have also increased. Further, productivity per day as well as per employee has declined.

vi. Growth

Growth (Year on Year)		2011-12	2012-13	2013-14	POI-A
Production	%	-	-4.44%	-10.01%	-2.11%
Domestic Sales	%	-	1.18%	0.25%	7.24%
Inventory	%	-	80.40%	12.30%	-43.73%
Market Share	%	-	-3.91%	0.20%	-3.83%
Profitability	%	-	-88.97%	20.34%	-861.14%
Return on Capital Employed	%	-	-19.46%	-0.73%	-33.57%

The Market Share and production of Domestic Industry has witnessed a negative growth rate in POI and injury period.

75. Overall growth of the domestic industry with regard to production, capacity utilisation, market share, profits, cash profits and return on investment was negative over the injury period.

vii. Level of dumping & dumping margin

76. It is seen that subject country imports are entering into India at dumped prices and that the margin of dumping is significant.

viii. Factors affecting domestic prices

77. Consideration of the import prices from subject countries and other countries, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market shows that the landed value of imported material from subject countries were below the selling price of the domestic industry, causing price undercutting in the Indian market. Import price from Saudi Arabia have remained all along higher than the import prices from the subject countries. Analysis of month wise import price from Saudi Arabia further shows that the import price from subject countries were lower than the import prices from Saudi Arabia. The benchmark for the Indian producers prices are the import prices. There is no viable substitute to this product. Demand for the product was showing significant increase and could not have been a factor responsible for price suppression faced by the domestic industry. The only factors responsible for the domestic industry prices are the import prices of the product in India and the cost of production of the domestic industry. Imports caused significant price suppression when the costs were rising and imports caused price depression when the costs were falling.

ix. Ability to raise capital investments

78. The authority notes that despite growing demand of the product under consideration in the country, the domestic industry has not planned any enhancement in their production capacity. Nor other domestic producers have planned any capacity enhancement. The domestic industry has claimed that due to continued adverse performance of the product attributable to adverse impact of imports have restrained them from expanding capacities.

Conclusion on material injury

79. After examining the volume and price effects of imports of subject goods from subject countries and its impact on the domestic industry, it is noted that there is an absolute increase in the volume of imports of subject goods from subject countries during the injury period, the market share of the subject countries in the demand has increased in the POI as compared to preceding year with significant increase in the imports in this period. With regard to price effect on account of imports of subject goods from subject countries, that imports of the subject goods from subject countries are significantly undercutting the prices of domestic industry. Further, the domestic industry has suffered price suppression and depression on account of imports of subject goods from subject countries. With regard to consequent impact of the dumped imports on the domestic industry, it is noted that the performance of the domestic industry has deteriorated in respect of sales, production, capacity utilisation, market share, profit, cash flow, return on investment. The domestic industry is running into significant financial losses. Thus, the Authority holds that the domestic industry has suffered material injury.

Injury Margin

The non-injurious price of the subject goods produced by the domestic industry when compared with the landed value of the exports from the subject countries shows positive injury margin during POI as under:-

a.

Qatar			
S. No.	Producer	Exporter	Injury Margin %
i.	M/s SEEF Limited	M/s Muntajat	0-10
ii.	M/s SEEF Limited	M/s Muntajat through and M/s Renish Petrochem FZE Trader	20-30
iii	M/s SEEF LIMITED	Weighted Average of i and ii above	5-10%
iv	Any	Any	20-30 %

b.

China PR			
S. No.	Producer	Exporter	Injury Margin %
i.	M/s Jiangsu Jintung Chemical Corp. Ltd	M/s Hotung Chemical Corp. and M/s Sharpinvest	0-10
ii.	M/s Jiangsu Jintung Chemical Corp. Ltd	M/s Jiangsu Jintung Chemical Corp. Ltd	0-10
iii.	Any	Any	0-10

c.

Iran			
S. No.	Producer	Exporter	Injury Margin %
i.	Any	Any	0-10

L. Other known factors & Causal Link

80. Having examined the existence of material injury, volume and price effects of dumped imports on the prices of the domestic industry, in terms of its price undercutting, underselling and price depression effects, other indicative parameters listed under the Indian Rules and Agreement on Anti-Dumping have been examined by the Authority to examine whether any factor, other than the dumped imports could have contributed to injury to the domestic industry.

a. Volume and price of imports from third countries

81. The Authority notes that imports of product under consideration from other countries are at higher price or are negligible in terms of volume data of the subject goods. As regards imports from Saudi Arabia is concerned, it is noted that domestic industry had filed application for imposition of antidumping duty on imports of subject goods from Saudi Arabia. However it was noted that the prices at which the goods were imported from Saudi Arabia were not causing injury to the domestic industry, during the POI from Saudi Arabia has once again been found negative in the present findings.

b. Contraction of demand and changes in the pattern of consumption

82. There has been a rise in demand of the product concerned throughout the injury period and therefore. Decline in demand is not a possible reason of injury to the Domestic Industry.

c. Developments in technology

83. Technology for production of the product concerned has not undergone any disruptive change. Thus, possible developments in technology is not a factor causing injury to the domestic injury.

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

84. There is no trade restrictive practice, which could have contributed to the injury to the Domestic Industry.

e. Export performance of the domestic industry

85. The exports of the domestic industry constitute low share in their total sales. Even though the export volumes of the domestic industry have declined, injury information examined by the Authority is for domestic operations and therefore decline in exports volume is not relevant for the injury to the Domestic Industry considered by the Authority.

f. Productivity of the Domestic Industry

86. It is noted that the productivity of the domestic industry in terms of production per employee has declined over the period. It is however, noted that the decline in profits, cash profits and return on capital employed for the domestic industry is so high that the decline in the same cannot be attributed to decline in productivity.

87. It is noted that listed known other factors do not show that the domestic industry could have suffered injury due to these other factors. The Authority examined whether the dumping of the product has caused injury to the domestic industry. The following parameters show that injury to the domestic industry has been caused by dumped imports:

- a. The imports of subject goods from subject countries were significantly undercutting the prices of the domestic industry in the market. Resultantly, the domestic industry was forced to reduce its prices significantly. The price depression suffered by the domestic industry is primarily noted to be due to dumping of the product in the Country.
- b. The domestic industry was forced to reduce its prices causing financial losses. The price depression caused by the imports thus resulted in significant deterioration in profits of the domestic industry to such an extent that the domestic industry suffered financial losses.
- c. Performance of the domestic industry with regard to sales, production, capacity utilisation, market share, profits, cash flow and return on investments deteriorated as a result of dumped imports from subject countries. Even if it considered that the decline in production, capacity utilisation and sales was not entirely due to dumping, the decline in profits, return on investment and cash flows is quite significant and material. To further eliminate injury due to factors of inefficiencies and conversion operation, the non-injurious price determinations eliminates such factors. The domestic industry is running into significant financial losses. Thus, dumping of the product has led to deterioration in performance of the domestic industry.

Comments to the disclosure

88. Following comments have been made by various interested parties i.e M/s TPM for Domestic Industry, M/s ELP on behalf of Seef, Muntajat and Renish PetroChem, M/s Dua associates on behalf of M/s Jiangsu Jintung Chemical Corp. Ltd ,M/s Hotung Chemical Corp. and M/s Sharpinvest, M/s Great Oriental Company China, M/s LKS on behalf of DMAI ;and Hindustan unilever Ltd. in response to the disclosure

i. Product Under Consideration and Like Article

- a. The product manufactured and sold by Domestic Industry is different from product exported by China PR and Iran particularly. The extra dosage

required in case of product from Iran and China is 0.8% and 1.6% respectively by the user industry. Therefore a adjustment on this account be factored in either in landed price or injury margin.

ii. **Domestic Industry Standing/Scope**

- a. The Designated Authority has not appropriately disclosed the procedure followed in determining 'major proportion' for domestic industry at the time of initiation. Even though Nirma and TNPL formed only 32% of the total production in India, the investigation was initiated. Further, even if the Designated Authority deemed it necessary to include RIL into the present investigation, which is also an inadvertent admission that Nirma and TNPL do not form a 'major proportion' of the production in India. The inclusion of RIL has been accepted by the Hon'ble Designated Authority despite the fact that RIL's data was filed over six months after initiation. The inclusion of RIL at such a belated stage of the investigation is not only a violation of due process, but also violative of the principles of natural justice.
- b. The combined data is not available in the public file.
- c. By including RIL as part of Domestic Industry the Authority has implicitly agreed that Nirma Ltd and Tamilnadu Petroproducts Ltd. cannot be considered as a major proportion.
- d. The disclosure statement establishes that the interested parties were attempting to mislead the Designated Authority by presenting as if the domestic industry did not have a case of injury if RIL data is included.
- e. The Authority has not followed established procedure to include RIL as part of domestic industry and by not terminating the investigation did not fulfil its duty.

iii. **Normal Value**

- a. Normal Value for China and Iran has not been constructed in accordance with Anti-Dumping provisions. The Authority has not applied the provisions of paragraph 7 of Annexure 1 of AD Rules properly to determine normal value for China and Iran.

- b. The Authority has not considered various submissions on Normal Value and export price computation, injury analysis, condonation of delay in RIL's filing letter of support at a belated date, and many other issues as made by various Interested Parties.
- c. Normal value is computed in case of Qatar erroneous as by product sales revenue is not excluded from cost.

iv. Injury

- a. There is no volume effect with respect to imports from subject countries. These imports are not having a negative effect on performance of domestic industry. The capacity of domestic industry has not been recorded properly as it has not shown closure of Vadodara plant of RIL.
- b. The profitability of RIL has decreased due to increase in depreciation. The decline in cost of sales needs to be seen in light of increased depreciation of RIL. There is no causal link between injury and dumping.
- c. The injury to domestic industry is on account of other factors like increase in power cut, higher cost of kerosene and its quality issues, uncertainty of availability normal paraffin imports and fluctuating exchange risk as reported by Tamilnadu Petroproducts Ltd.
- d. The NIP has been determined on the basis of the data of domestic industry. The detailed break up of the NIP determined should be disclosed to the domestic industry so as to enable petitioners to provide comments.
- e. Determination of non injurious price is inappropriate and is against the object and intent of the dumping law, as interpreted by the Hon'ble Supreme Court in the matter of Reliance Industries Ltd. vs. Designated Authority
- f. Authority has not disclosed about negative injury margin of imports from Saudi Arabia and should clarify whether the same is done on an annual or quarterly basis.
- g. There is no price injury to domestic industry. Authority has considered only movement of price and cost but not mirrored the cost of sales with feedstock cost properly. The cost increase of domestic industry is due to its inherent inefficiencies.

- h. There is a clear lack of causality between injury to domestic industry and alleged dumping.
- i. Authority should provide CIF import price of Saudi Arabia and negative injury margin computation.
- j. Great Oriental Chemical (Taicang) Co. Ltd. has not been provided opportunity to respond, though it has submitted information regarding MET and FOB prices and if it was not accepted we should have been informed.
- k. The NIP price computed for domestic industry be shared with other interested parties.
- l. Landed value has been determined differently with different yardsticks.
- m. Its import material arrived in west coast and as well as east coast. The price differences on account of these have not been factored.
- n. Sales of domestic industry have increased in POI. It is only the petitioners who have shown injury and not the two other producers. The price decline of PUC by domestic industry is due to raw material prices only. The domestic sales of domestic industry, with capacity utilization of domestic industry do not indicate injury.
- o. Authority has not considered the issues of an integrated facility to produce LAB and have not computed NIP properly.
- p. The Authority has not appropriately disclosed the procedure and calculations relied upon for the exclusion of Saudi Arabia from the scope of subject countries.
- q. The Authority though sought it important to carry out a price comparison on a quarterly basis to determine undercutting, the same methodology should have been used and a quarterly analysis should have been carried out for calculating the Dumping and Injury Margin.
- r. The injury suffered by the Petitioners cannot be attributed to import of the products under consideration from the subject countries as the volume injury suffered by the Petitioners is due to imports from Saudi Arabia, there is no correlation between the price of the product under consideration imported from the subject countries and the Petitioners' price, there is no correlation between the volume and value of imports and the performance of the

Petitioners and economic parameters such as the volume of sales, market share, production, closing stock, productivity show a positive trend.

- s. The Authority has not appropriately disclosed and addressed various non-attributive factors such as:

Volume and price of imports from third countries (Saudi Arabia), Development in technology, Imports of the PUC from Qatar do not compete with TPL's production, the Petitioners have experienced feedstock quality issues and the Petitioners started incurring losses because of the fall in crude oil prices and cash flow issues.

- t. M/s Renish, an exporter has filed their questionnaire but has not co-operated with the verification, cannot be deemed to be co-operative in the present factual matrix. Therefore its data must accordingly be excluded from the dumping margin calculation. Without prejudice if the data of Renish is taken on record, there has to be well justified reasons with regard to the unprecedented practice being followed when a party remain non-cooperative as well as when there have been clearly sales exports made periodically and that too when the Authority is not following a quarterly methodology but an average methodology for calculations of dumping and injury.
- u. M/s Dua Associates representing M/s Jiangsu Jintung Chemical Corp. Ltd., M/s Hotung Chemical Corp. and M/s Sharpinvest International Ltd. have stated that exfactory export price disclosed to them in confidential disclosure is correct. They have submitted that there is no price undercutting on account of imports from China and that Domestic Industry has not suffered any volume or price injury. The computation of no price undercutting or injury due to imports from Saudi Arabia be reconfirmed by the Authority.
- v. Great Oriental Chemical (Taicang) Co. Ltd. sale prices are at the same level as Farabi and constitutes only 1.35% of domestic sales in India. The reduction of production or profits to Domestic Industry is on account of other reasons i.e. feedstock shortages, no secure supply of raw material and its volatility and decline in prices of crude oil.

v. **Dumping Margin**

- a. The non- confidential version of verification report of the exporters/producers from subject countries should be disclosed to domestic industry.
- b. In case of Qatar for both sales channels the exporter is de facto same i.e. Muntajat irrespective of presence of Renish in one channel. Therefore to prevent undue advantage, the dumping margin and injury margin should be collapsed. The dumping margin and injury margin as in the disclosure statement are lower in respect of direct sales by *Muntajat*. Thus, it would be very easy for the exporter to adopt direct sales in order to attract lower anti-dumping duty despite higher dumping margin and injury margin in respect of exports made through Renish. They shall completely frustrate the higher quantum of dumping margin and injury margin determined by the authority.
- c. M/s ELP has stated that the Authority should adopt the quarterly method of comparison. It seems Authority has changed approach to calculate a higher margin of duty, Authority has considered S&D cost of M/s Seef Ltd. in adjusting exfactory export price which has also been included in the cost of production, the marketing fee deducted for exfactory export price is not proper as selling price to customers are determined exclusively by M/s Muntajat without negotiations with M/s Seef Ltd., the Authority has not appropriately disclosed the procedure and reasons for deviating from the verified data in its dumping margin calculation and that Renish Petrochem cannot be considered as cooperative in the present investigation as they have clearly not participated with the Authority including verification of the data that was provided by them in their questionnaire response.

vi. **Other issues**

- a. The authority had delayed providing the non-confidential version of petition to all interested parties by 37 days making it inconsistent with Article 6.1.3 of WTO ADA. The procedural delay of 37 days calls for termination and cannot be condoned. Judgment of Guatemala- Definitive Anti-Dumping Measures on Grey Portland Cement from Mexico WT/DS156/R dated 24th October 2000 has been cited in which it was held that the making available the petition 8 days after the initiation is in contravention to the AD Agreement. The present investigation must be terminated with immediate effect.

- b. Imposition of ADD is not in public interest as it will lead to increase in prices of detergents and pesticides.
- c. Copy of the communications sent by the Authority and copy of replies filed by the interested parties should also be disclosed.
- d. Fixed quantum of duties should be levied as there are significant changes in the cost of production over the injury period. Custom port authorities lack a mechanism to ensure correctness of import price reported by an importer. It is neither feasible nor practicable for the port authorities to verify the import price. Directorate has accepted benchmark form of duty as not an appropriate form of duty and has changed the form of measures in several cases, and that the duty should be imposed in terms of US\$.

Examination of Authority

89. The Authority has examined submissions made by various interested parties in response to the disclosure as under:
- a. The Authority holds that the petitioners M/s Nirma Ltd. and M/s Tamilnadu Petroproducts Ltd. constituted a major proportion of Indian production even at the time of filing the petition. However on submissions made by various interested parties, to strengthen the injury analysis, M/s Reliance Industries Ltd. who in any case was a supporter earlier, has also been included in the scope of Domestic Industry to enhance objectivity and representativeness for a comprehensive injury assessment. Its inclusion as part of domestic industry in no way be construed that petitioners lacked standing to file the petition. Further consideration of RIL's data to complete injury assessment is part of the investigation process which Authority considered it important to undertake in view of various representations. The analogy of delay in submitting response with request of Authority to various interested parties at the time of initiation to file time bound response is misplaced as it is entirely a different obligation casted on various interested parties.
 - b. As regards injury to domestic industry in various economic parameters, the Authority has undertaken injury assessment of all stipulated economic parameters listed in Annexure II to Rule 11 (2) of AD Rules and has observed analysed impacts separately on different parameters, collectively the analysis

evidences injury to Domestic Industry especially on price in the POI which has been quantified as Injury margin. The inefficiencies in weighted average cost of production determined for domestic industry have been eliminated by undertaking normation on various cost components as per Annexure III of AD Rules.

- c. As regards delay of 37 days in providing NCV copy for updated POI to the interested parties the Authority holds that the NCV petition with 12 months period submitted by domestic industry was all through available in the public file which was even inspected/collected by desiring interested parties. The initiation notification was available on website of DGAD for information of all. Though the revised NCV version of petition was made available later, sufficient time to file responses and even extension was granted by the Authority. Therefore no prejudice has been caused to any interested party. Infact submissions were made by various interested parties in two oral hearings held in this investigation. To ensure fair opportunity the Authority even held a post disclosure hearing on 2nd March, 2017 on limited issues of normal value and NIP raised by cooperating producer/exporter for Qatar and Domestic Industry.
- d. The Authority noting the repeated submissions on non-inclusion of Saudi Arabia reiterates that the weighted average landed value of imports from Saudi Arabia of the PUC implies a negative injury margin thereby validating the stand of the Authority to exclude Saudi Arabia from the scope of investigation at the stage of initiation itself.
- e. The Authority had issued Questionnaires to all known producers/exporters from the subject countries. M/s Jiangsu, M/s Sharpinvest and M/s Hotung represented by M/s Dua Associates only filed response to the Questionnaire within prescribed timeline as per the stipulated format. None other producer/exporter including Great Oriental Chemical (Taicang) Co. Ltd. filed any timely response. Request by producer/exporter to file data after expiry of the extended timelines is not considered by the Authority. As regards Great Oriental Chemical (Taicang) Co. Ltd.'s contention of having filed the Questionnaire response, the Authority holds that time was provided to all producers/exporters of subject countries to file data in the structured

questionnaire by 22nd February, 2016. Based on request by certain producer/exporter the timeline was extended till 8th March, 2016. No belated responses by any producers/exporter have been considered by the Authority. The questionnaire response mentioned by Great Oriental Chemical (Taicang) Co. Ltd. was an incomplete data submitted not in the prescribed format with no submission on export price adjustments nor any supportive evidence on data filed. Such an incomplete response at an extremely belated date has not been considered by the Authority as per its consistent practice. The producer/exporter has been classified under the residual category. However submissions made by the producer/exporter on Domestic industry's standing, injury and causal link aspects have been appropriately considered. The producer/exporter has also not filed any MET Questionnaire even though claimed having provided such an information. The company merely stated that they are wholly owned by Great Oriental Chemical (Taicang) Co. Ltd. in Singapore and a business profile of ACRA with no Questionnaire response was filed.

- f. Some of users have mentioned that their submissions have not been considered. The Authority has as per its consistent practise addresses all relevant issues raised by various interested parties appropriately under respective parts of the finding avoiding repetitive submissions. The main contentions on scope of domestic industry, injury to domestic industry and causality of injury with dumping, adjustment on account of differences in the molecular weight have been appropriately considered. The authority in particular notes the request by the user industry regarding such an adjustment and reiterates that the quantification of an adjustment on the exfactory export price due to any difference in the goods imported and the Domestic Industry's like article needs to be demonstrated by a cooperating producer/exporter. The two cooperating producers/exporters in this case have not evidenced and not claimed an adjustment in their exfactory export price on account of this variation even in their submission in a limited hearing held on 2nd March, 2017. Therefore no such adjustment has been considered.
- g. The Authority notes that M/s ELP represents M/s SEEF Ltd., M/s Muntajat, M/s Renish Petrochem FZE has stated that M/s Renish is a non cooperative

producer/exporter. The Authority notes that M/s Renish has filed a questionnaire response wherein the CIF prices have been provided. The basis of the normal value and exfactory export price data for this channel of exports is the data as available from SEEF, the producer and its associated exporter viz. Muntajat. Therefore contention of the legal representative who filed the questionnaire on behalf of Renish Petrochem to declare it as non cooperative as neither tenable nor logical. The Authority has therefore determined dumping margin and injury margin for this channel as well.

- h. The S&D expenses of SEEF considered for Exfactory Export Price adjustment for Muntajat have been corrected as the same has been included in the cost of production of SEEF.
- i. M/s Seef's entire production is sold by Muntajat, the exporter to domestic and all global destinations through a decree law of 2012. The price setting is done by Muntajat and the net proceeds after deducting marketing fee and various expenses on exports are paid to seef. It is noted that M/s ELP has filed data for both channels of exports i.e. through Muntajat to India and also from Muntajat and Renish Petrochem FZE to India. Separate determination of Dumping and Injury Margin has been done for both the channels. Keeping in view the fact that producer and its exclusive exporter is the same for both the channels, the Authority has determined weighted average Dumping Margin of both the channels and also weighted average injury margin to apply Lesser Duty Rule .
- j. As regards sharing of NIP/other data of confidential nature with the other interested parties the Authority has followed consistent practise of not disclosing NIP to interested parties other than domestic industry.
- k. As regards the submissions on injury and causal link the Authority has followed the same methodology for evaluating landed value for cooperating and non-cooperating producer/exporter irrespective of the port of clearance. The Authority considers that adopting comparison of normal value with exfactory export price on a weighted average basis for entire POI would equally be representative and appropriate.
- l. Based on the submissions made by M/s ELP in the limited hearing held on 2nd March, 2017 and its clarification dated 2nd March, 2017, the Authority has adjusted the sales revenue of the by product from the cost of production. The

S&D expenses of M/s Seef Ltd. have not been reduced from the export price as claimed and clarified by the exporter in the hearing held on 2nd March, 2017.

90. It is noted that the domestic industry suffered material injury due to dumped imports.

M. Indian industry's interest & other issues:

91. As regards submissions of user industry on demand supply situation, impact on prices of user industry, 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 re-establish 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. The consumers could still maintain two or even more sources of supply.

Conclusions

92. Having examined the contention of various interested parties and on the basis of the analysis as above, the Authority concludes that:

- i) There is dumping of product concerned from the subject countries.
- ii) Imports from subject countries are undercutting and suppressing the prices of the domestic industry.
- iii) Performance of domestic industry has deteriorated in the terms of market share and profitability.

iv) Injury to domestic industry has been caused by dumped imports.

Recommendations

93. Having concluded as above the Authority considers it necessary to recommend following definitive Anti-dumping duty on imports of subject goods from the subject countries in the form and manner as described in the duty table given below.

94. The Authority recommends the imposition of Anti-dumping duty equal to lesser of the margin of dumping and margin of injury keeping in view the lesser duty rule. Accordingly the Anti-dumping duty equal to the amount indicated in Column 8 of the table below is recommended to be imposed by the Central Government on the imports of the subject goods originating in or exported from subject countries.

Duty Table

SN	Sub heading or Tariff Item	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Currency	Unit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	38170011	Linear Alkyl Benzene	China PR	China PR	M/s Jiangsu Jintung Chemical Corp. Ltd.	M/s Hotung Chemical Corp. and M/s Sharpinvest Internatio	23.78	US\$	MT

						nal Ltd.			
2	38170011	Linear Alkyl Benzene	China PR	China PR	M/s Jiangsu Jintung Chemical Corp. Ltd.	M/s Jiangsu Jintung Chemical Corp. Ltd.	147.11	US\$	MT
3	38170011	Linear Alkyl Benzene	China PR	China PR	Any combination other than mentioned in S.N. 1 & 2 above.		147.11	US\$	MT
4	38170011	Linear Alkyl Benzene	China PR	Any country other than those subject to anti-dumping duty	Any	Any	147.11	US\$	MT
5	38170011	Linear Alkyl Benzene	Any country other than those subject to anti-dumping duty	China PR	Any	Any	147.11	US\$	MT
6	38170011	Linear Alkyl Benzene	Qatar	Qatar	M/s SEEF Limited	M/s Muntajat*	46.49	US\$	MT
7	38170011	Linear Alkyl Benzene	Qatar	Qatar	M/s SEEF Limited	M/s Muntajat* and M/s Renish Petroleum FZE (Trader)	46.49	US\$	MT
8	38170011	Linear Alkyl Benzene	Qatar	Qatar	Any combination other than mentioned in S.N. 6 & 7 above.		300.22	US\$	MT
9	38170011	Linear Alkyl Benzene	Qatar	Any country other than those subject to anti-dumping	Any	Any	300.22	US\$	MT

				duty					
10	38170011	Linear Alkyl Benzene	Any country other than those subject to anti-dumping duty	Qatar	Any	Any	300.22	US\$	MT
11	38170011	Linear Alkyl Benzene	Iran	Iran	Any	Any	71.8	US\$	MT
12	38170011	Linear Alkyl Benzene	Iran	Any country other than those subject to anti-dumping duty	Any	Any	71.8	US\$	MT
13.	38170011	Linear Alkyl Benzene	Any country other than those subject to anti-dumping duty	Iran	Any	Any	71.8	US\$	MT

*M/s Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.J.S.C., Qatar

Further Procedure

95. An appeal against the order of the Central Government that may arise out of this Final Findings Notification shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

Dr. Inder Jit Singh

Additional Secretary & Designated Authority