

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

**F. No. 7/47/2020-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001**

NOTIFICATION

Dated: 23rd August, 2021

**(FINAL FINDINGS)
Case No. ADD-SSR 28/2020**

Subject: 4th Sunset Review Investigation concerning imports of “Polytetrafluoroethylene” (PTFE) originating in or exported from Russia.

F. No. 7/47/2020-DGTR: Having regard to the Customs Tariff Act 1975, as amended from time to time (hereinafter also referred to as the ‘Act’) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995, as amended from time to time (hereinafter also referred to as ‘the Rules’) thereof.

A. BACKGROUND OF THE CASE

a. The Original Investigation

1. Whereas, having regard to the Act and the Rules, the original investigation concerning imports of Polytetrafluoroethylene (PTFE) (hereinafter also referred to as the subject goods or product under consideration or ‘PUC’) originating in or exported from Russia, was initiated by the Designated Authority (hereinafter referred to as ‘the Authority’) vide Notification No. 24/1/98-DGAD dated 22nd January 1999. The Preliminary Findings were notified on 09th June 1999 and the provisional duties were imposed by the Ministry of Finance vide Notification No. 83/99-Customs dated 30th June 1999. The Authority notified the final findings on 13th October 1999 recommending definitive anti-dumping duty on the subject imports of the subject goods. The definitive anti-dumping duties on the subject goods imported from the subject country was imposed vide Notification No. 141/99-Customs dated 30th December 1999.
2. The Authority initiated the 1st Sunset Review investigation vide Notification No. 15/6/2003-DGAD dated 08th October 2003. The Authority recommended continued imposition of definitive anti-dumping duty on the subject imports from the subject country vide Notification No. 15/6/2003-DGAD, dated 07th October 2004, holding that the domestic industry continues to suffer material injury. The form of duty was changed to reference

- price. The Ministry of Finance extended definitive antidumping duty vide Notification No. 110/2004-Customs, dated 18th November 2004 on imports of the subject goods from subject country.
3. The Authority initiated the 2nd Sunset Review investigation vide Notification No. 15/30/2008-DGAD dated 27th February 2009 and recommended continued imposition of definitive anti-dumping duty vide Notification No. 15/30/2008-DGAD, dated 26th February 2010 holding that the domestic industry continues to suffer material injury. The form of duty was changed to fixed form. The Ministry of Finance extended definitive anti-dumping duty vide Notification No. 57/2010-Customs, dated 03rd May 2010 on imports of the subject goods from the subject country.
 4. The Authority initiated the 3rd Sunset Review investigation vide Notification No. 15/2/2015-DGAD, dated 13th April 2015 and issued Final Findings dated 12th April 2016 recommending continuation of duties holding that the domestic industry continues to suffer material injury. The anti-dumping duty was reduced. The Ministry of Finance vide Notification No. 23/2016-Customs (ADD), dated 16th June 2016 extended the duty for a period of 5 years.
 5. The domestic industry filed appeal against the final findings before the Hon'ble CESTAT. The Hon'ble CESTAT vide order dated 16th September 2016, remanded the matter back to the Authority on the issue of determination of Non-Injurious Price (NIP). The Authority issued revised Final Findings vide Notification No. 15/02/2015-DGAD dated 15th March 2017. The Ministry of Finance imposed the revised duties vide Customs Notification No. 22/2017 which was in force till 05.06.2021 and thereafter, was further extended for a period of five months through Customs Notification No. 25/2021-Customs (ADD) and is in force till 31.10.2021.
 6. The Authority initiated Mid-Term Review investigation vide Notification No. 7/10/2020-DGTR, dated 16th April 2020 and issued Final Findings dated 18th December 2020 recommending modification of the existing anti-dumping duties holding that the domestic industry continues to suffer injury at a higher level due to the dumped imports from the subject country. However, the Central Government decided to not to modify the anti-dumping duty in PTFE originating in or exported from Russia.
 7. The Anti-circumvention investigation was concluded vide Final Finding No. 07/22/2020-DGTR dated 27th January 2021 and the Authority inter alia recommended extension existing anti-dumping duty on PTFE originating in or exported from Russia to PTFE originating in or exported from Korea RP and PTFE Products or Processed PTFE Components originating in or exported from China PR. The Ministry of Finance imposed the duties so recommended for extension to Korea RP vide Notification No. 24/2021-Customs (ADD) dated 26th April, 2021 and Notification No. 25/2021-Customs (ADD) dated 26th April, 2021 respectively. Accordingly, the conclusion drawn by the Authority in the present SSR investigation, shall also stand applicable on imports of PTFE imported from Korea RP whether declared as originating or not.

b. Present Sunset Review Investigation

8. M/s Gujarat Fluorochemicals Limited (hereinafter referred to as the “Applicant”) has filed a duly substantiated application before the Authority in accordance with Section 9A(5) of the Act read with Rule 23 of the Rules, on behalf of the domestic producers alleging continued dumping & injury and likelihood of intensified dumping and injury of the subject goods, originating in or exported from Russia and have requested for review, continuation and enhancement of the anti-dumping duties imposed on the imports of the subject goods, originating in or exported from the said country. After prima facie examination of the facts, the Designated Authority initiated Sunset Review (SSR) investigation vide Notification No. 7/47/2020-DGTR dated 12th February 2021 to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from Russia.

B. PROCEDURE

9. The procedure described below has been followed with regards to the investigation.
- i. The Authority, issued a public notice dated 12th February 2021 published in the Gazette of India Extraordinary, initiating Sunset Review Investigation concerning imports of the subject goods from the subject country.
 - ii. The Authority forwarded a copy of the public notice along with the questionnaire to the Embassy of the subject country in India, all known exporters, importers and industry associations (whose details were made available by the Applicant) and gave them the opportunity to make their views known in writing in accordance with Rule 6(2) of the AD Rules. They were advised to reply within thirty days from the date of publication of the notification or from the date of letters.
 - iii. They Authority provided a copy of the non-confidential version of application to the known exporters and the Embassy of subject country in accordance with Rule 6(3) of the AD Rules. A copy of the Application was also provided to other interested parties, whatever requested.
 - iv. The Authority sent questionnaires to elicit relevant information to the following known producers/exporters in the subject country in accordance with Rule 6(4) of the AD Rules:
 - a. Halopolymer
 - b. Jampack Enterprises Ltd
 - v. In response to the initiation of the subject investigation, Halo Polymer Perm, JSC,(Russia) Halo Polymer Kirovo-Chepetsk, LLC, (Russia) and Halo Polymer Trading Inc (USA) have filed only their legal submissions. The exporter is thus being treated as non-cooperative on account of questionnaire not being filed by them. However, submissions made, wherever found relevant, have been examined. None of

the producers/exporters from the subject country have filed the exporter's questionnaire response.

- vi. The submissions made by the Russian Federation have been duly considered.
- vii. Questionnaires were also sent to the following known importers, users and Association of the subject goods in India seeking necessary information in accordance with Rule 6(4) of the AD Rules:

1.	M/s Meerut PTFE Products Pvt. Ltd.	2.	M/s Trestar Elektroniks
3.	M/s Tonk & Associates (P) Ltd.	4.	M/s E.I. Dupont India Pvt. Ltd.
5.	M/s T & F Insulations (P) Ltd.	6.	M/s Sanghvi Products
7.	M/s U. Goenka & sons Ltd,	8.	M/s Pragati International,
9.	M/s Venus Industries	10.	M/s Supremo Polymer Industries
11.	M/s Guarniflon India Pvt Ltd	12.	M/s Tee Coating Industries,
13.	M/s Pragati Plastic Pvt. Ltd	14.	M/s Automate Industries,
15.	M/s Dip Flon Engineering Co.	16.	M/s Plastic Product engineering Co
17.	M/s Corrosion Engineers,	18.	M/s TFE Coating industries
19.	M/s Mechanical Packing Industries,	20.	M/s Mach Polymers.
21.	M/s T& F Insulations Pvt Ltd.	22.	M/s Ghaziabad Flopol Insulations Pvt. Ltd.
23.	M/s Sanghvi Techno Products.	24.	M/s Dip Flon Engg & Co.
25.	M/s Jai hind polymers.	26.	M/s Kanan Polymer.
27.	M/s Dhvani Polymer Industries.	28.	M/s Trestar Elektroniks
29.	M/s Aflon Engg Corporation	30.	M/s Tefkot Cable Company
31.	M/s Packlon Industries.	32.	M/s Electro Polymers Pvt. Ltd.,
33.	M/s Angana International	34.	M/s Plastic Products Engg Company
35.	M/s Guarniflon India Pvt. Ltd.	36.	M/s Fluoro Carbon Seals
37.	M/s Fluoroplast Industries,	38.	M/s S.N. Enterprise,
39.	M/s Automat Industries,	40.	M/s Precision Polymer Industries,
41.	M/s Sanghvi Techno-Products,	42.	M/s Sarasons Engineering Industries,
43.	M/s Ganesh Flon,	44.	M/s Pap-Flon Engineering Co.,
45.	M/s GMM Pfadler Ltd,	46.	M/s Fluoroflon Industry
47.	M/s Poly Fluoro Products	48.	M/s Vimal Polymer Industries
49.	M/s Hindustan Polymers,	50.	M/s Tefol Polymer Industries
51.	M/s Dynamic (GLS) Industries	52.	M/s Trimurti Polymers
53.	M/s PTFE Rubber Works ,	54.	M/s Iगतwin Polymers Private Limited,
55.	M/s Mechanical Seals & Packaging Industries,	56.	M/s Shraddha Polymer Industries
57.	M/s Apex Polymers,	58.	M/s Galaxy Thermoplast Pvt. Ltd.,

59.	M/s Modern Industrial Corporation,	60.	M/s Moreflon Industries,
61.	M/s J.K.Polymer Industries,	62.	M/s Polymers,
63.	M/s Vee Bee Industries,	64.	M/s Garg Scientific Instruments,
65.	M/s V.V.Fluro Product,	66.	M/s Shyam Polymers,
67.	M/s S. Industries,	68.	M/s Shyam Fluoro Products
69.	M/s Kiran Engineering,	70.	M/s Accurate Packing & Seals,
71.	M/s Ashish Dies & Moulds,	72.	M/s Fluoro-Tech Engineering Pvt. Ltd.,
73.	M/s National Fluoromers, Industrial	74.	M/s Mask Seals Company,
75.	M/s Neo Wires & Allied Products Pvt.	76.	M/s Hi-Tech Polymers,
77.	M/s Suflon Industries,	78.	M/s Hindustan Nylons,
79.	M/s Aarathy Engg. Plastics,	80.	M/s Spareage India Ltd.
81.	M/s Kedar Polymers,	82.	M/s Babuji Electronics & Chemicals,
83.	M/s Flora Enterprises Pvt. Ltd.,	84.	M/s Flucon Polymers Pvt. Ltd.
85.	M/s Bafna Industrial Stores.,	86.	M/s Fluorokraft Private Limited.,
87.	M/s Industrial Spares Manufacturing & Trading Co.	88.	M/s Indofab Engineers,
89.	M/s Trelleborg Sealing Solutions (India) P. Ltd.,	90.	M/s PKN Caps & Polymers (P) Ltd.
91.	M/s Rollon Bearings P. Ltd.	92.	M/s Karnataka Polymer Product
93.	M/s Visan Polymers.,	94.	M/s MIL Industries Ltd.,
95.	M/s HIL Polymers	96.	M/s Poly Fluoro Ltd.
97.	M/s Rasaii Flow Lines,	98.	M/s Siflon Polymers,
99.	M/s Fluorotherm Industry,	100.	M/s Finer Enterprises Pvt. Ltd.
101.	M/s Xomox Sanmar Ltd.,	102.	M/s Three G Fluoropolymers Pvt. Ltd

- viii. In response to the initiation notification, only one importer i.e., M/s Guarniflon India Private Limited (GIPL) has responded and have filed a questionnaire response and M/s Galaxy Thermoplast Pvt. Ltd has made submission.
- ix. 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.
- x. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- xi. Further information was sought from the Applicant and other interested parties to the extent deemed necessary.

- xii. Desk Verification of domestic industry was conducted to the extent considered necessary for the purpose of the present investigations.
- xiii. The Non-Injurious Price (hereinafter referred to as 'NIP') based on the cost of production and cost to make and sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and has been worked out so as to ascertain whether the present Anti-Dumping Duty is sufficient to remove injury to the Domestic Industry.
- xiv. Investigation was carried out for the period starting from 01st April 2019 to 30th September 2020 (18 months) (hereinafter referred to as the "period of investigation" or "POI"). The examination of trends, in the context of injury analysis covered the period from 2016-17, 2017-18, 2018-19 and the POI.
- xv. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide the details of imports of subject goods during the last four years, including period of investigation, and the same was received by the Authority. The Authority has used the DGCI&S imports data for computation of the volume and value of imports and injury analysis.
- xvi. In accordance with Rule 6(6) of the Anti-Dumping Rules, the Authority provided opportunity to the interested parties to present their views orally in the hearing held on 21st May 2021. All the parties were requested to submit their written submissions and the rejoinder to the written submissions latest by 26th May 2021 and 31st May 2021, respectively.
- xvii. In accordance with the Rules, the Authority disclosed the essential facts of the case that would form the basis of its findings in the form of a disclosure statement on 28.07.2021 and the interested parties were allowed time up to 29.07.2021 to comment on the same. The comments of the interested parties, to the extent relevant, have been considered by the Authority and have been addressed in this finding.
- xviii. The arguments raised and information provided by various interested parties during the course of investigation, to the extent considered relevant by the Authority have been addressed in this notification.
- xix. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigations, or has significantly impeded the investigation, the Authority has recorded its observation on the basis of the facts available.
- xx. *** in this notification represents information furnished by an interested party on confidential basis, and so considered by the Authority under the Rules.

- xxi. Exchange rate considered for the POI for conversion of USD to Indian Rupees is
1USD = Rs. 73.17

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Views of the Domestic Industry

10. The domestic industry has made the following submission with regard to the scope of Product under consideration and like article:
- i. The instant investigation being a Sunset Review investigation for examination of request for reviewing the need for continued imposition of the Anti-Dumping duty in force, the product under consideration remains the same as has been defined in the previous investigations.
 - ii. The product involved in the previous investigations and the present review investigation is "Polytetrafluoroethylene" (also referred to as PTFE).
 - iii. PTFE falls within Chapter 39 of the Customs Tariff Act, 1975 under custom sub-headings 390461 and 39046100 of the Customs Tariff Act, 1975. The classification is however, indicative only and in no way binding on the scope of the present investigation.
 - iv. There is no known difference in subject goods produced by the domestic industry and subject good imported into India. They are comparable in terms of the technical specifications, quality, functions, or end-uses. The two are technically and commercially substitutable. The customers are using the two interchangeably. Hence, should be treated as like articles in accordance with the Rules.

C.2 Views of the Opposing Interested Parties

11. None of the exporters, importers, consumers, and other interested parties has filed any comment or submissions with regard to product under consideration and the like article.

C.3 Examination by the Authority

12. The scope of the product under consideration, as defined in the last Sunset Review investigation is "Polytetrafluoroethylene" (also referred to as PTFE) originating in or exported from Russia.
13. Post the 3rd Sunset Review the Authority through its Final Findings dated 27.01.2021 found that the PUC was being circumvented through exports from Korea RP. Therefore, the subject goods imported from Korea RP have also been included, keeping in view the C.N. No. 24/2021-Customs dated 26.04.2021 read with Corrigendum dated 27.04.2021.
14. PTFE is produced in various grades, such as molding grade, fine powder, aqueous dispersions, and compound grades of filled grades. All grades that were included in the

scope of the previous case and current duties are within the scope of the present review. PTFE is primarily used in electrical, electronic, mechanical, and chemical industries for its unique characteristics like chemical inertness, electrical and thermal insulation, low coefficient of friction, non-toxic, non-flammable, resistance to radiation, low level of static and dynamic friction and outstanding electrical properties over a wide frequency range.

15. The product is classified under Customs Tariff sub-heading 39041 and 39046100 of the Customs Tariff Act. This classification is, however, indicative only and in no way binding on the scope of the present investigation.
16. The Authority notes from the information on record that the product under consideration produced by the domestic industry is “like article” to the goods imported from the subject country. The product under consideration produced by the Indian industry and imported from the subject country are comparable in terms of technical specifications, functions or end-uses product specifications, pricing, distribution & marketing, and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably.

D. SCOPE OF DOMESTIC INDUSTRY & STANDING

D.1 Views of the Domestic Industry

17. The domestic industry has made the following submissions with regard to the domestic industry and the standing:
 - i. M/s Gujarat Fluorochemicals Ltd. has filed the application for reviewing the need of continued imposition of anti-dumping duty on PTFE. There is one other producer of PTFE in the country, apart from the applicant, namely, Hindustan Fluorocarbons Ltd. The Applicant however continues to be a major producer of the subject goods in India and commands 99% share in the Indian production in the POI and, therefore, constitutes domestic industry.
 - ii. The applicant has not imported the subject goods during the period of investigation, and further, is not related to any exporter or producer of the subject goods in the subject country or any importer of the product under consideration in India within the meaning of Rule 2(b).
 - iii. The Applicant satisfies the standing requirement and constitutes domestic industry within the meaning of the AD Rules.

D.2 Views of other Interested Parties

18. None of the exporters, importers, consumers, and any other interested parties has filed any comment or submission regarding standing of the domestic industry.

D.3 Examination by the Authority

19. The application has been filed by Gujarat Fluorochemicals Ltd. Further, there is one other producer of the subject goods apart from the applicant, namely, Hindustan Fluorocarbons Ltd.
20. The production by the applicant constitutes 99% of the total domestic production. Further, the applicant has not imported the subject goods during the period of investigation and is not related to any exporter or producer of the subject goods in the subject country or any importer of the product under consideration in India.
21. In view of the above, the Authority proposes to hold that the Applicant constitutes domestic industry within the meaning of Rule 2(b) of the Rules and considers that the application satisfies the criteria of standing.

E. CONFIDENTIALITY

E.1 Views of the Domestic Industry

22. Views of the domestic industry with regards to confidentiality are as follows.
 - i. All the information has been disclosed to the extent possible. As regards excessive confidentiality with regard to the basis of calculation of dumping margin and normal value, the same has been disclosed to the extent possible within the confidentiality of information.
 - ii. The normal value has been constructed on the basis of estimates of cost of production, considering prices of major raw materials and other costs, as per facts available. Further, reasonable profit has been added to the cost of sales for the purpose of determination of normal value.
 - iii. Information that is commercially sensitive and confidential information have not been disclosed.

E.2 Views of the other Interested Parties

23. Views of the other interested parties with regards to confidentiality are as follows.
 - i. Due adjustments not given in non-confidential version in respect of normal value. Panel Report of *Guatemala-Cement II*, relied on to state that good cause must be shown for confidentiality. Article 6.5.1 relied on. Russia deprived to assess accuracy of both normal value and dumping margin.

E.3 Examination by the Authority

24. The Authority had made available non-confidential version of the information provided by various interested parties to all other interested parties in the form of an e-file through e-mail containing non-confidential version of evidence submitted by various interested parties for inspection as per Rule 6(7).

25. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis was directed to provide sufficient non-confidential version of the information filed on confidential basis. The Authority made available the non-confidential version of the evidence submitted by various interested parties and were shared amongst each other by the interested parties online due to constraints of access to physical public file.

F. MISCELLANEOUS ISSUES

F.1. Views of Domestic Industry

26. Views of the domestic industry with regards to other issues are as follows:

- i. With respect to Russian Federation's argument on non-equivalence of periods, domestic industry submitted that such argument is unnecessary as a bare reading of the information provided in the application would be sufficient for fair comparison with previous years, the POI has been appropriately annualized to ensure comparable duration.
- ii. In reference to Halo Polymer's submission that the petitioner showing Comment in Russian is not true, the domestic industry has submitted that it seems that the party has not read the Findings of the Authority in the MTR investigation, wherein such a comment was also noted by the Authority. The applicant has no interest in making fraudulent submissions. The party may check its non-confidential written submission shared vide email dated 03.09.2020 with the Authority and other parties, that has such a comment.
- iii. With regard to GIPL's submission on advance license, it has been submitted that if the party is importing under advance licensing, then the importer should not have an issue with duties being imposed. Further, the intention of the investigation is not to block fair competition from imports rather it is to bring imports at a fair pricing level that does not injure the domestic industry.
- iv. Issues raised regarding quality and uniformity, as argued by GIPL, are unspecified and unsubstantiated with evidence. Further, as clarified above, should the importer continue to procure Russian goods then the same can be done provided they are not dumped in the Indian market.

F.2. Views of other interested Parties

27. Views of the Russian Federation with regards to other issues are as follows:

- i. The comparison of POI (18 months) and previous years (full financial years) is incorrect due to non-equivalence of the periods. Reference made to Art. 3.1 and Panel report of Mexico-Steel Pipes and Tubes para 7.249 and 7.225.
28. Views of Halo Polymer (exporter) with regards to other issues are as follows:
- i. Halo Polymer's markets have shifted, and India does not remain a major country of export for it. It does not have any excess capacity or inventory, as it is utilizing its entire capacity and will withdraw further volume from Indian market for other opportunities.
 - ii. Halo Polymer has been operating at a utilization of 95% to 105% and with the recent agreements to supply additional volumes to large users in US, EU etc., they may not even cater to Indian customers who have been dependent on them for some quantities of the material due to their own compulsions and not because Halo Polymer offered them a price which was dumped and injurious in any manner as alleged.
 - iii. Word document showed during hearing by petitioner highlighting comment in Russian and English language, as part of MTR investigation is not true. No document containing such statement shared with DI. How DI got such document needs clarification. Document and source to be shared to check and revert.
29. Views of Guarniflon India Private Limited (GIPL) (Importer) with regards to other issues are as follows:
- i. GIPL imports against advance licenses and manufactures its products for export markets only. No part of the PTFE resin imported by GIPL from Russia is either sold or intended to be sold in the domestic market.
 - ii. GIPL cannot procure the equivalent grade from domestic industry due to quality and uniformity issues and preferences of the end consumers.

F.3. Examination by the Authority

30. The Authority has examined the comments of all the interested parties as under:
- i. All the data in the POI have been annualised (i.e., multiplied by 12 and divided by 18) and then analysed/compared with the preceding years.
 - ii. As regards submissions made by the Russian exporter that it will withdraw from Indian market and not cater to Indian customers, the Authority notes that it has provided opportunity to all interested parties to file data and as well make submissions so as to consider the same on merits as per rules. The findings of the Authority are recommendation to the Central Government and the final decisions are amenable to judicial scrutiny under Section 9C of the Customs Tariff Act. Therefore, such submissions are not relevant as they do not equip the Authority with any relevant issues.

The participation of the exporter in this investigation therefore remains limited and on macro aspects.

- iii Regarding exporter's comment about truthfulness of domestic industry's statement, the examination done by the Authority in its Mid-term review investigation becomes relevant, wherein it was noted as under:

24. The Authority sent questionnaires to the known producers/exporters from the subject country, advising them to provide information in the form and manner prescribed by the Authority. However, none of the producers/exporters have filed response. The legal consultants for the exporter stated as follows with regard to its inability to file questionnaire response.

"It may kindly be noted at the parties could not complete the EQ Responses on account of such lock downs within the time lines set by the Authority. EQR required very detailed information for 4 years which was not readily available in the prescribed format and the parties could not complete the process of filling the same within the time limits as the offices were not operational and the personnel concerned did not have any proper access to such historical and voluminous data."

25. The exporter itself however stated as follows in the marginal note of the submission

"We cannot prove the statement, plants and offices worked during the lock down period"

- iv Regarding concerns of GIPL about imports under advance licensing, it is pertinent to note that such imports do not attract anti-dumping duty. The Authority notes that the purpose of anti-dumping duty is to only create a level playing field and to provide relief to the domestic industry due to its consequent injurious effect. The duties envisaged for imposition are not to provide undue protection to the domestic industry and to detriment any other industry. Moreover, no evidence has been submitted by the parties to show that there are indeed quality and uniformity issues in the product manufactured by the domestic industry.
- v The Authority has correlated imports reported by DGCIS and DG-System with those reported by M/s Guarniflon India Pvt Ltd. are the importers during the POI.
- vi During the POI imports of PUC from Russia including South Korea (being circumvented) is about 950 MT, which includes 399 MT under the advance license route (42 %). Further, out of 950 MT, 39% of imports are done by M/s Guarniflon India Pvt Ltd. in which 64% are under duty free route. The Authority notes that total imports from Russia and those being circumvented through Korea PR amount to 10.42% of total imports. If, the duty free imports are excluded from this analysis their share shall still amount 7.68% which is not only above de-minimis, but also quite significant.
- vii The Authority notes that the imports under duty free route are not impacted by the anti-dumping measure. However, the prices under advance license route tend to get

benchmarked with the prices under the duty paid imports thus causing price under cutting.

- viii The Authority notes that a PUC from Russia and South Korea are also being imported under advance license. The DG-Systems data indicates that price under advance license and non-advance license despite showing variation broadly correlate. The Authority has adopted the weighted average export price of both Russia and South Korea for computing ex-factory export price and landed value. The weighted average dumping margin and injury margin are evaluated in the following paras based on the above.

G. ASSESSMENT OF DUMPING AND DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

G.1. Views of Domestic Industry

31. Views of the domestic industry with regards to normal value, export price and dumping margin, are as follows:
- i The applicant had to rely on cost of production, as it was unable to gather information on selling price of the product in the Russian domestic market, cost of production in Russia as such information was not available either in public domain or in published sources. Had the other parties required the Authority to consider authentic information, then the same should have been submitted by the parties.
 - ii The applicant had to rely on information of cost of production in India. Since no evidence is available about the Russian market, Indian experience about the cost of production has been considered.

G.2. Views of other interested Parties

32. Views of other interested parties with regards to normal value, export price and dumping margin, are as follows:
- i. No references to sources on product from Russia for normal value. Only one reference at page 10 of the application. The information does not reflect Russian domestic market. Simply stated that information not found to take Indian market as representative of Russian data.
 - ii. Art. 2.2, Sec. 9A(1)(c) requires use of cost in country of origin. Art 5.2 requires evidence of dumping, and there is no justification in ADA for accepting application for constructed value in India instead of Russia. Authority is inconsistent with Arts 6.5.1, 6.2, 5.2 and 2.2 and investigation should be terminated.

G.3. Examination by the Authority

33. Under Section 9A (1)(c) normal value in relation to an article means:

- (i) *the comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or*
- (ii) *when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-*
- (a) comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or*
- (b) the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):*

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

G.4 Normal Value

34. Since none of the exporters in Russia have cooperated with the Authority by submitting questionnaire response nor have, they submitted any evidence with regard to Normal Value of the subject goods, the Authority is constrained to determine the normal value on the basis of the facts available, including the information contained in the petition of the domestic industry. Accordingly, the normal value has been determined on the basis of estimates of cost of production in Russia duly adjusted to include selling, general & administrative costs of the domestic industry by adding reasonable profits. The weighted average normal value for all grades so determined is **US\$ ***/Kg**.

G.5 Export Price

35. None of the exporters from the subject country has provided any information/details of the export price. The Authority has, therefore, determined the export price on the basis of the DGCI&S import data. Further, the net export price at ex-factory level in respect of all producers/exporters from Russia has been determined after making due adjustments for Ocean Freight, Insurance, Commission, Bank Charges, Port Expenses, and Inland Freight Charges on the basis of facts available to determine export price at ex-factory level. For the Circumventing exports, the ocean freight from Korea to Russia has also been included to ensure that Ex-Factory export price for both PUC and PUI is computed for Russian

producers. The weighted average net export price of Russia and Korea RP for all grades so determined is US\$ ***/Kg.

G.6 Dumping Margin

36. On the basis of the above stated normal value and export price so determined at ex-factory level, the dumping margin has thus been worked separately by for each grade. The weighted average dumping margin of Russia and Korea RP comes to Rs ***/Kg (US\$ ***/Kg).

Particulars	Unit	POI
Normal Value	US\$/KG	***
Net Export Price	US\$/KG	***
Dumping Margin	US\$/KG	***
Dumping Margin %	%	***
Dumping Margin % Range	% Range	30-40

H. EXAMINATION OF INJURY AND LIKELIHOOD OF CONTINUATION OF INJURY

H.1 Views of the Domestic Industry

37. The following submission were made by the domestic industry with regard to injury and causal link:

- i. Demand for PUC increased over the injury period, with a slight decline in the POI, attributed to the pandemic.
- ii. Import volume declined in 2018-19 but increased by 14 times in the POI compared to 2018-19.
- iii. Russian exporters are circumventing the current duties imposed by routing their exports from Korea RP.
- iv. Imports are significantly undercutting the prices of the domestic industry and are also suppressing the domestic prices and preventing the price increases, which would have happened in the absence of Russian imports. Landed price is well below NIP, also resulting in Underselling.
- v. Performance of the domestic industry has in terms of production & sales, capacity utilization, market share, profitability and ROI have increased till 2018-19 and declined significantly during the POI. The inventory of the domestic industry has been increasing again after 2018-19 due to significant increase in imports.
- vi. Capacity of the domestic industry increased over the injury period.
- vii. Performance of the Domestic industry improved till 2018-19 when the ADD was in force but it became ineffective due to the intensified dumping of the PUC over the injury period.
- viii. Russian producers have tried to maintain their presence by reducing prices without corresponding decline in cost to increase their share in Indian market. This was also done by circumventing duties and exporting via Korea.

- ix. Russian producers have been exporting the PUC at dumped and injurious prices to increase their share in the Indian market, and revision of duties is necessary to curb dumping as injury margin has intensified.
- x. Post-cessation of duty, imports would undercut and undersell the prices of DI. The profitability would also decline significantly if the domestic industry is constrained to sell at import price, which makes the domestic industry vulnerable post-cessation of duty.
- xi. There is willful non-participation at the exporter's end as was noted by the Authority in the MTR investigation in the form of blatant untruthful statement. Legal submissions made by Halo Polymer Perm, JSC should not be considered as they are unsubstantiated and the said exporter was also subject to circumvention investigation that led to imposition of duties.
- xii. Guarniflon India Private Limited had only shared comments with the applicant and the non-confidential version of the Import Questioner Response (IQR) were not shared. Hence, their submissions should be rejected as the applicant is unable to assess the accuracy or respond to its claims in any manner.
- xiii. The imposition of appropriate duty in each instance over the past has helped in the improvement of domestic industry's performance by reducing the imports, and on the instance of low duties on the product the exports from subject country increased.
- xiv. The dumping margin is quite significant despite imposition of anti-dumping duties. It is evident that, the producers/exporters from the subject country are not only dumping subject goods in the POI but they would resort to further dumping of subject goods, should the present anti-dumping duties cease to exist.
- xv. Reliance is placed on the conclusion drawn by the Authority in the recently concluded Mid-term review investigation, which covered 9 months of the present POI, which led to the modification of the duties as the Authority found that there was a changed margin of dumping and consequential injury in accordance with the lesser duty rule.
- xvi. This sunset review investigation is a case of continued injury. The domestic industry due to factors noted in the Mid-term review investigation along with cumulative effect of circumvention activities employed by Russian exporter, was unable to reap benefits of duties besides the duties resulting in being ineffective.
- xvii. The significant increase in the volume of imports in the POI would show further increase as Korean imports are to be seen as Russian goods, based on recent recommendation and imposition.
- xviii. The domestic industry up to 2018-19 was able to improve its performance, however in the POI, the domestic industry has registered negative growth across all parameters.
- xix. The current price undercutting levels establish that the imports are not just currently undercutting but are also likely to increase undercutting levels of domestic industry in the event of cessation of anti-dumping duty.
- xx. The price undercutting of imports from Russia, is positive and significant despite imposition of Anti-dumping duties, however, the undercutting was negative when the import volume was low and since the increase in volume of imports has become positive.

- xxi. So long as the landed and import price increased, it was enough to cover cost and was at NIP level, where the domestic industry could register improved performance. But, in the POI, both landed price with anti-dumping duty and import price were below NIP and were well below cost as well.
- xxii. The domestic industry is unable to sell even at prices equivalent to NIP, due to insufficient and ineffective current duties. Consequently, the market share of the domestic industry also declined.
- xxiii. Continued dumping from subject country and presence of dumped materials in the market restrained the domestic industry from charging reasonable price for its product. Dumping of the product under consideration has significantly intensified over the injury period despite existence of duties. The duties were ineffective post 2018-19, which indicates that cessation of duties is likely to intensify injury being caused to the domestic industry.
- xxiv. The Russian producers tried to maintain their presence in Indian market by reducing their prices without corresponding decline in cost in order to increase their share in the Indian market. They have also circumvented the duties so imposed by exporting goods through Korea which emphasizes their willful disobedience to the Government's decision.
- xxv. The injury margin has intensified and there is a need for revision of duties for with a mid-term review investigation was undertaken.
- xxvi. In case of expiry of duty, exports from subject country would further channelize their output in the Indian market owing to the significant capacity with them. This clearly would result in likelihood of injury to the domestic industry. Imports from subject country are likely to undercut the prices of the domestic industry further in the event of cessation of anti-dumping duty and is likely to force the domestic industry to reduce its prices further.
- xxvii. Price undercutting without anti-dumping duty is high in the POI, and if the current duties are allowed to expire, the imports would cause severe price undercutting which would cause material injury to the domestic industry.
- xxviii. Vulnerability of the domestic industry in addition to factors stated in the application, is also evident from the negative trend registered in the POI, because of continued dumping, and increased margins of the subject country.
- xxix. It is not necessary that all conditions should exist for continuation of duty.
- xxx. The consumer of subject goods is largely part of MSME and is a scattered industry, as was noted by the Authority in the recently concluded anti-circumvention investigation. The consumers also had participation in the circumvention investigation as it was their interest that the circumvention investigation be conducted.
- xxxi. The applicant has had a good relationship over the years and prices its products reasonably even after imposition of duties, and therefore the intention to request extension of duties is to protect them from unfair trade practice of dumping and not to monopolise the market. The reasonable pricing is evident from the prices of domestic industry which are lower than the prices offered by the rest of the world.

- xxxii. The applicants never intend to use trade remedial measures on imports from subject countries which are being fairly priced and are not unfairly impacting the domestic industry.
- xxxiii. There are more than 150 consumers of the subject goods with an employment range of 5000 people and there has been no adverse effect of duties on the consumers. In this investigation only one company submitted their comments, and the applicant is a producer of full range of PTFE types and has good track record with its customers.
- xxxiv. The consumers comprise of a pass-through industry. PTFE is a complicated and technical product which involves advanced technology and investment, due to which the applicant has a backward integrated plant, also indicating the high level of value addition at the stage of producing PTFE, unlike the low value addition in the consumer industry. Therefore, the current extension of duties become necessary for the continued existence of the domestic producer that in turn is a key supplier and supports the consumer industry in other products being produced.
- xxxv. The subject goods as such have no direct application/use and they must be transformed to have an application. Once transformed, these products of PTFE are mainly used by the Pharma and food industry, i.e., in pipelines and it would be seen that this end-product becomes an important capital item. However, despite such an important application, considering the overall investment in these industries, the cost of this end-product becomes miniscule i.e., less than 1% of the overall capital investment.
- xxxvi. The duties which were imposed triggered more investment in this sector in the country and has helped to expand the capacity to more than 3 times from the time of original investigation. This resulted in growth of the product, its consumption and its consumer industry, employment and forex earning.
- xxxvii. In reference to arguments that analysis from base year to POI should be seen, reliance is placed on the Report of the Panel Argentina– Safeguard Measures on Imports of Footwear- wherein it was stated that intervening trends has to be systematically considered and factored into the analysis. Therefore, to only factor in analysis from base year and POI, would be incorrect. Moreover, the Rules have also prescribed analysis over the injury period. If analysis is done from base year, it would lead to skewed analysis of data and present an incorrect information of the industry. The purpose of four years injury period for injury assessment is to consider the performance of the domestic industry for the entire period of four years. It would not be appropriate to compare the performance of the domestic industry between the base year and the POI. Any such analysis would also imply rendering information for the intervening period redundant and would not be an objective analysis. Rather than an end-point to end-point analysis, examination of the economic situation of the domestic industry should take into account events within the injury period and reliance is placed on the Panel in EC – Tube or Pipe Fittings and further refers and relies on various Commission Regulations of European Commissions as follows:
- a. COUNCIL REGULATION (EC) No 215/2002 of 28 January 2002 imposing definitive anti-dumping duties on imports of ferro molybdenum originating in the People's Republic of China.

- b. COUNCIL REGULATION (EC) No 1995/2000 of 18 September 2000 imposing a definitive anti-dumping duty and collecting definitively the provisional duties imposed on imports of solutions of urea and ammonium nitrate originating in Algeria, Belarus, Lithuania, Russia and Ukraine, and terminating the anti-dumping proceeding in respect of imports originating in the Slovak Republic.
- xxxviii. The Annual Report relied on by the Russian Federation also show that there has been a decline in the 'Revenue Mix' in FY 2019-20 compared to 2018-19 by 19,100 Rs Lakhs (for PTFE). Therefore, an injury on the product is evident.
- xxxix. In reference to argument that injury has been caused by reduction in export sales and not Russian imports, it has been reiterated that the injury claimed by the applicant has been segregated between exports and domestic sales, and therefore, arguments that reduction in export sales has caused injury is baseless. The applicant relies on the market research mentioned in GFL's annual report 2019-20 which shows growing demand in reference to contradiction in demand. The user industry of PTFE products is pharma and food industry and the minor contraction in demand due to the pandemic is temporary and shall bounce back to pre-COVID demand growth.
- xl. With regard to argument that Indian industry has been protected for long time, the applicant submitted that despite a long history of investigation, it would be seen that each time the quantum of duty imposed on the subject goods was low, the exports from the subject country increased. Protection not being pursued in a scenario of fair competition. However, there continues to remain use of unfair trade practices to compete in the market, thus requiring continuous imposition of duties.
- xli. The claim that Halo Polymer's markets have shifted remain unsubstantiated and cannot be verified. The supposedly shift in market had not occurred in the POI, and it is obvious that such shift being claimed has been a consequence of the circumvention investigation and subsequent extension of duties on Korea.
- xlii. The argument that the rejection of recommendations to enhance the quantum of ADD against Russia by MOF vindicate the submissions made by Halo Polymers in the recent MTR is misleading and incomplete. The MoF memorandum issued in the MTR investigation did not in any form or manner disclose the reason for not accepting the recommendation of the Authority.
- xliii. The applicant in its application and written submissions has highlighted that this investigation is a case of continuation of injury, demonstrating enhancement of duties and not just extension. Furthermore, in addition to continuation, the applicant has demonstrated that a more severe injury is likely to occur should duties cease.
- xliv. Exporter has argued against the applicant for making mere statements and conjectures even though the applicant has submitted a duly substantiated application. However, it misses to notice that such arguments of India not remaining a market, prices, and utilization, are mere statements that are unverifiable.
- xlv. In reference to exporter's submission on injury and likelihood, applicant submitted that imports in absolute terms and in relation to consumption from 2018-19 has increased significantly in the POI. Circumvented products from Korea also form the object of analysis in this investigation, as duties have now been extended on them. Market share of total imports (Russia and Korea) increased from 7% to 10% from

- 2018-19 to POI. However, market share of the domestic industry declined by 1%, when in fact it should have increased. Willingness and possible re-entry/capture of the Indian market is demonstrated from the fact that the exporter continues to participate in this investigation (albeit without filing a response), even though it claims to no longer find the Indian market prudent. Such an exercise seems futile for an exporter not interested in the Indian market.
- xlvi. For arguments that applicant had not provided the injury data in the prescribed Format H, applicant has submitted non-confidential version of Proforma IVA-II that summarized the key economic parameters of the domestic industry. However, the costing information has been claimed confidential, as such detailed and key information of the applicant cannot be summarised and possibly be submitted in the non-confidential version.
- xlvii. Argument made that applicant enjoys dominant position and that performance cannot be thus impacted, applicant submitted that injury data shows impact on the performance of the industry, despite being a key market player, which implies that this injury is attributed to unfair trade practice of dumping and circumvention of duties. A dominant position does not imply absence of injury. It rather strengthens the argument of the applicant that should duties cease, and the injury becomes severe, the key Indian market player shall be eliminated.
- xlviii. The argument that the price parameters of the petitioner showed stupendous growth over the years has no factual basis. Comparison of the cost of production, selling price and landed price of imports shall establish the same.
- xlix. With respect to argument that there is no discussion on likelihood factors, it has been countered that the Designated Authority has recently concluded injury to the domestic industry, the same is the best evidence of likelihood. The facts found by the Designated Authority is reiterated and the same fact applies to the present investigations. The Rules, prescribe a suggestive and non-exhaustive list of parameters to assess likelihood. If a case were to have strong likelihood contentions on a few points and points outside of that suggestive list, the case for extension of duties stands fulfilled. Even if one condition is fulfilled and suggests likelihood, then duties must be extended.
1. As regards importer's submission that it is acceptable to have certain export prices being lower than domestic prices and therefore, not wholly illegal or illegitimate for importers to sell their imports at a lower price; the applicant countered that pricing based on market considerations is not a concern for the applicant. It becomes a concern where in the instant case the goods are imported significantly below the normal value, causing injury to the applicant as it cannot possibly sell at a price that does not even cover its cost.
 - li. The import volume per se shall be considered as significant in the context of whether the import is being dumped and causing injury to the domestic industry. The applicant is unclear of the reference made to the finding of the Authority in notification No. 24/1/98/DGAD, dated 9 June 1999 and its relevance in the argument.
 - lii. In reference to importer's submission that due to ADD levied importers have no choice but to procure material from a single domestic supplier, the applicant countered that the duties imposed are not anti-competitive in nature, had that been so the

industries/companies that had duties imposed on imports, would have been confronted under the Competition Act, for monopolistic practices. The duties by no way are a method of blocking imports or competition, rather they bring unfairly priced/dumped imports at a fair level, in order to facilitate fair competition. The importer can continue to import from Russian producers provided they are not at dumped prices.

H.2 Views of Interested Parties

38. The opposing interested party, namely Halo Polymer, made submissions as under:

- i The background shows petitioner has enjoyed protection of ADD for decades and the performance of petitioner shows that extension of ADD shall be at the cost of Indian users.
- ii Rejection of recommendations to enhance the quantum of ADD against Russia by MOF vindicate the submissions made by Halo Polymer in the recent MTR.
- iii The facts of this case in terms of performance of petitioner and imports are comparable to trends found in MTR which warrants expiry of present duties. Performance improved exponentially between base year and POI as evident in MTR but a finding on injury was reached by considering only a decline in parameters between POI and previous year. Petition contains no sufficient evidence under Rule 23 (IB). The contentions of likelihood of dumping and injury raised against Russia are mere sermons and are not supported by reasonable evidence. Domestic industry must demonstrate the consequences of the expiry of a duty based on facts and not merely based on presumptions, assumptions, and conjectures.
- iv Imports from Russia declined in absolute terms and in relation to consumption in India. The share of Russia in imports and in demand declined significantly over the years. Halo Polymer enjoys better market elsewhere and the company was not exporting any significant material to India. Hence, the potential import from Russia will also be negligible and the likelihood theories raised by the petitioner have no meaning. Halo Polymer does not see any increase in exports to India even if the ADD is removed, as the Company finds the price in the other markets more prudent and expiry of duty have no utility to divert such other market volumes to India and all the commentaries against this by the petitioner are without any supporting facts.
- v The petitioner has not provided the injury data in the prescribed Format H and presented data in some other formats as Format H. Petitioner has also held the costing write up as confidential.
- vi The injury data shows petitioner is enjoying a dominant position in the Indian market and it also demolishes the theories that its performance have been impacted on account of alleged circumvention and continued imports from Russia.
- vii The price parameters of the petitioner showed stupendous growth over the years. The profitability skyrocketed both in terms of profits per unit level and at ROCE level. The decline in parameters in the POI viz. the immediate previous year which is because of the fall in demand during the said period and increase in cost elements such as interest cost, higher wage elements due to fall in productivity, overall economic de-growth in the user segment.
- viii The petition contains no discussions on likelihood factors and the petition placed heavy reliance on the recent MTR and anti-circumvention findings by the Authority.

- ix The PUC is a key input for a large number of users and segments in India and most of them are small units and the well settled petitioner has taken undue advantages of the ADD for decades to achieve its business interests.
- x The petitioners failed to establish beyond doubt that expiry of the existing anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry as envisaged in Rule 23 (1B) of the Anti-dumping Rules. On the contrary, the opposing views show absence of likelihood or recurrence of dumping and injury to the domestic industry in the event of expiry of present duties.
- xi The domestic industry has shown tremendous improvement in performance over the years and did not show any continued injury in the POI or in the injury period. Imports from subject country have been insignificant in volume terms and the price of such insignificant imports did not create any injury to the petitioner.
- xii The facts of the present case clearly show that the petitioner is not vulnerable to any injury on account of import of PUC from Russia as their performance have reached such prudent levels. The overall situation justifies expiry of present anti-dumping duties applicable on imports of subject goods from subject country.
- xiii The Authority may take serious note of the rejection of its recommendations at the end of the recent MTR by the MOF and the examination of the present case should be done keeping in view such rejection as well. This aspect is highlighted respectfully for the precise reason that the facts about injury in the said MTR and the present MTR is comparable as there is an overlap in the POI of the said MTR and present SSR by 9 months.
- xiv Halo Polymer have been operating at a utilization of 95% to 105% and with the recent agreements to supply additional volumes to large users in US, EU etc, the Company may not be even catering to the Indian customers going forward who have been dependent on the Company for the material for quite some time.
- xv There are no volumes or price parameters which make Indian market any lucrative and essential market for Halo Polymer and the Indian users have been buying some quantities from us due to their own compulsions and not because Halo Polymer offered them any price which was dumped and injurious in any manner as alleged. Thus, the Company strongly rebut the false claims of the petitioner that the exports from Russia will increase in the event of expiry of present ADD by offering dumped and injurious price.
- xvi Share of Russia in total imports and also in demand in India declined significantly over the years. Halo Polymer does not see any increase in exports to India even if the ADD is removed, as the Company finds the price in other markets as more prudent and expiry of duty have no utility to divert such other market volumes to India.
- xvii The petitioner should show that the Russian producers are having excess unutilized capacities and selling at dumped and injurious prices in the other markets which all will be diverted to India in the event of expiry of present duties. As of now petition has commentaries by the petitioner without any supporting facts.
- xviii The petitioner has not provided the injury data in the prescribed Format H and presented data in some other formats as Format H. Also, the petitioner has held the costing write up (Part VI) as confidential and not shared the same in NCV which is not a permitted approach and amounts to excessive use of confidentiality.

- xix The petitioner has been doing well on both volume and price parameters and the parameters have been at the highest level during the POI in comparison to the base year and this fact should not be undermined by the Authority.
- xx Injury data shows that all the volume parameters such as capacity, capacity utilization, production, sales, exports etc increased substantially by the POI which shows the dominant position of the petitioner in the Indian market and it also demolishes the theories that its performance have been impacted on account of alleged circumvention and continued imports from Russia. Such growth would not have been registered if the claims of circumvention etc brought into picture by the petitioner have been true.
- xxi The petitioner is manipulating the price and market for the product in India with the help of perpetual ADD on PTFE and baseless allegations are raised to seek further extension of the duties which has no merit.
- xxii The price parameters also showed stupendous growth over the years. The profitability just skyrocketed both in terms of profits per unit level and at ROCE level. There has been a decline in parameters in the POI viz. the immediate previous year which is primarily on account of fall in demand during the said period and increase in cost elements such as interest cost, higher wage elements due to fall in productivity, overall economic de-growth in the user segment etc but the base year to POI growth in the present matter should not be ignored by the Authority which have been extremely strong.
- xxiii The MTR injury finding was also on an assertion that decline in performance between POI and immediate previous year alone was relevant and such approach completely undermined the exponential growth achieved by the petitioner between base year and POI and such approach should be reconsidered in this matter. The growth between base year and POI must be considered while examining injury in the present matter at least.
- xxiv It is apparent that per unit profits of the petitioner increased from -100 to 335 points which is a substantial growth in itself. Also, ROCE increased from -100 to 786 points which is a sharp jump and cannot be termed as a situation of material injury. The petitioner did not face any price effects from the imports and that was the reason for such superb profits as the petitioner could pass on full cost and also reasonable profits to the customers. It is to be also noted that the jump in interest cost etc also did not impact the profitability of the petitioner much and claims of injury in the present case must be considered as a blatant lie to say the least.
- xxv The whole claim of the petitioner is that the performance shows continued injury as the POI figures are lower than the performance during 2018-19. But what happens to the significant growth in all parameters between base year and POI is not answered.
- xxvi The petition contains no discussions on likelihood factors, which is *pari materia* in an SSR, and the petition has placed heavy reliance on the recent MTR and Anti-circumvention findings by the Authority and the said recommendation of the Authority in the MTR is already rejected by the MOF and the case should fall flat on this ground alone. Now the petition at the best has its basis on the finding in the anti-circumvention (AC) Investigation. Without prejudice, the AC finding alone is not sufficient to suggest likelihood.

- xxvii The Authority may also consider the fact that the PUC is a key input for large number of users and segments in India and most of them are small units and the well-established petitioner has in fact took undue advantages of the ADD for decades now to achieve its business interests. Such long duties have served all its purposes and this factor must be considered while concluding this matter.
- xxviii Chemical and Specialty chemical sector in India is doing extremely well since last one year and the leading chemical companies like the petitioner have been posting exuberant profit for the last several quarters on consistent basis. This is when the talk is about slow-downs and lock downs otherwise. Present case is also not an exception and the Authority must take note of such macro aspects.

39. The Russian Federation made the following submissions with respect to injury and causal link.

- i Indian industry has growing performance during the injury period i.e. 2016-17 -POI. GFL's Annual Report 2019-20 relied on to state that as on March 2020, profit is more than previous period by 74218 Lakhs. Should correct analysis be done, it would show absence of injury. Reliance on Art. 11.1 to state that duty to remain in force only to the extent necessary.
- ii Alleged injury caused by reduction in export sales and not Russian imports (data sourced form Department of Commerce of India, Export Import Data bank FY 2019-20). The nationwide lockdown and contraction in demand affected applicant's performance.
- iii Indian industry has been protected for long. Duties have been imposed on Russia since 1999. Measures to protect industry temporarily not permanently.

40. GIPL made the following submissions with respect to injury and causal link:

- i. It is globally accepted in international trade not have certain export prices being lower than domestic prices and is therefore not wholly illegal or illegitimate for importers to sell their imports at a lower price.
- ii. Material injury or threat supporting imposition of any ADD cannot be based on mere allegations and speculations and must necessarily be supported by incontrovertible evidence.
- iii. The total import in volumes to India from Russia constitutes an insignificant bulk compared to other countries. GIPL relies upon the observation of the Authority in notification No. 24/1/98/DGAD, dated 9 June 1999 "*...the various grades of PTFE do not display any significant difference in terms of costs and are in the same range*". The negligible proportion of PTFE imports from Russia to the total imports in India, would *ex facie* justify for a suspension of the ADD on imports of PTFE from Russia.
- iv. There is no evidence, either in the form of any supporting documents or any figures, to show that any allegedly dumped imports are causing or are threatening to cause any material injury to the domestic injury. This justifies an immediate review for suspension of the ADD on PTFE imports.

- v. Due to the ADD levied importers have no choice but to procure material from a single domestic supplier that constitutes around 98% of the domestic production, and this creates a monopolistic situation in the market.
- vi. Customers of derived products of PTFE show better willingness and acceptability towards the products made/derived from the Russian raw material on account of the consistency in material and its distinct advantage over similar products manufactured by the domestic industry or imported from any other country.
- vii. GIPL caters to the large global market and with the rapidly growing demand for PTFE, GIPL should have the option of suppliers from across the globe and it should be permitted to gain from the global competition and price arbitrage.

H.3 Examination by the Authority

41. Rule 11 of the Anti-dumping 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 article and the consequent effect of such imports on domestic producers of such articles.
42. With regard to the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in dumped imports, either in absolute term or relative to production or consumption in India. For examining price effect of dumped imports, the Authority investigates whether there has been a significant price undercutting by the dumped imports as compared to the price of the like article in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree, or prevent price increases, which would have otherwise occurred to a significant degree.
43. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity, utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Anti-Dumping Rules. The injury analysis made by the Authority hereunder addresses the various submission made by the interested parties.

I. Volume Effect of Dumped Imports of the Domestic Industry

a) Assessment of Demand

44. Demand or apparent consumption of the product in India has been determined as the sum of domestic sales of the Indian producers and imports from all sources.

Particular	Unit	2016-17	2017-18	2018-19	POI	POI
Import Volume & Demand					Annualised	Actual
Subject Countries Imports	MT	473	568	479	634	950
Russia	MT	473	567	18	256	383
Korea - Circumvented	MT	0	1	462	378	567

Other Country attracting ADD - China PR	MT	573	700	1024	679	1,019
Other Country	MT	1,070	1,299	982	1,132	1,698
Total Imports into India	MT	2,116	2,567	2,485	2,445	3,667
Sales of Indian Producers	MT	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>120</i>	<i>134</i>	<i>123</i>	<i>123</i>
Sales of Domestic Industry including Captive	MT	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>120</i>	<i>135</i>	<i>125</i>	<i>125</i>
Sales of Other Indian Producers	MT	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>73</i>	<i>88</i>	<i>7</i>	<i>7</i>
Total Demand in India	MT	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>120</i>	<i>127</i>	<i>120</i>	<i>120</i>

45. It is noted that the demand for the product under consideration has shown an increase throughout the injury period, with a slight decline in POI (Annualised). It is also observed that total imports of subject goods have increased initially during the injury period and thereafter, in the POI.

b) Import Volumes and Market Share

46. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of injury analysis, the Authority has relied on the transaction wise import data procured from DGCI&S. The import volumes of the subject goods from subject country and share of the dumped import during the injury investigation period are as follows:

Particular	Unit	2016-17	2017-18	2018-19	POI Annualised	POI Actual
Subject Countries Imports	MT	473	568	479	634	950
Russia	MT	473	567	18	256	383
Korea - Circumvented	MT	0	1	462	378	567
Other Country attracting ADD - China PR	MT	573	700	1,024	679	1,019
Other Country	MT	1,070	1,299	982	1,132	1,698
Total Imports into India	MT	2,116	2,567	2,485	2,445	3,667
Subject Country Imports (Including Korea) in relation to						
Imports into India	%	22.34	22.12	19.29	25.92	25.92
Demand into India	%	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>100</i>	<i>80</i>	<i>112</i>	<i>112</i>
Domestic Sales	%	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>100</i>	<i>75</i>	<i>107</i>	<i>107</i>

47. It is seen that imports from Russia, in absolute terms, declined in 2018-19 and increased thereafter in the POI. Imports in relation to production and consumption also followed the

same trend. Considering the recent conclusion drawn by the Authority and the imposition of duties by Ministry of Finance, in the Anti-circumvention investigation against Korea RP, the imports from Korea RP are being considered as that of Russian origin.

J. Price Effect

48. The impact on the prices of the domestic industry on account of the dumped imports from subject country has been examined with reference to the price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis, the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with the landed price of imports of the subject goods from the subject country.

a) Price Undercutting

49. With regard to the effect of the dumped imports on prices, it is required to be analyzed whether there has been a significant price undercutting by the dumped imports as compared to the price of the like products in India, or whether the effect of such imports is otherwise to depress the prices or prevent price increases, which otherwise would have occurred in the normal course.

Price Undercutting - Korea+Russia	Unit	2016-17	2017-18	2018-19	POI
Without ADD					
Landed price of imports	Rs/Kg	318.28	465.55	567.48	426.36
Net sales realization	Rs/Kg	***	***	***	***
Trend	<i>Index</i>	100	131	160	131
Price undercutting	Rs/Kg	***	***	***	***
Trend	<i>Index</i>	100	98	120	124
Price undercutting	%	***	***	***	***
Price undercutting	% Range	30-40	20-30	20-30	20-30
With ADD					
	<i>Index</i>				
Landed price of imports	Rs/Kg	377.70	522.64	569.75	452.17
Net sales realization	Rs/Kg	***	***	***	***
Trend	<i>Index</i>	100	131	160	131
Price undercutting	Rs/Kg	***	***	***	***
Trend	<i>Index</i>	100	100	202	180
Price undercutting	%	***	***	***	***
Price undercutting	% Range	10-20	10-20	20-30	20-30

50. It is seen that landed price of imports is below selling price of the domestic industry and are thus undercutting the prices of the domestic industry. Landed price of imports with ADD is also below the selling price of the domestic industry.

b) Price Suppression and Depression

51. In order to assess as to whether imports from subject country were suppressing/depressing the prices of the domestic industry 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 has compared the cost of production and net selling price of the domestic industry over the injury period along with the landed price of imports over the injury period, and shown in the table below

Particulars	Unit	2016-17	2017-18	2018-19	POI
Landed price of imports without ADD	Rs/Kg	318	466	567	426
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>146</i>	<i>178</i>	<i>134</i>
Landed price of imports with ADD	Rs/Kg	378	523	570	452
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>138</i>	<i>151</i>	<i>120</i>
Cost of Sales	Rs/Kg	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>102</i>	<i>112</i>	<i>125</i>
Selling price	Rs/Kg	***	***	***	***
<i>Trend</i>	<i>index</i>	<i>100</i>	<i>131</i>	<i>160</i>	<i>131</i>

52. It is seen that cost of sales, selling price and landed price of imports increased till 2018-19. However, during the POI, while the cost of sales of the Domestic Industry significantly increased, the landed price of imports and selling price declined steeply. The landed price of imports (even with ADD) are below the cost of sales and selling price during the POI. Imports were thus depressing the prices of the product in the domestic market during the POI.

c) Price Underselling

53. The Non-Injurious Price (NIP) of the domestic industry has been determined and compared with the landed value of the subject goods to arrive at the extent of price underselling. The NIP of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The analysis shows that during the period of investigation, the landed price of the subject imports from Russia and those being circumvented through Korea RP, was below the non-injurious price of the domestic industry, as can be seen from the table below, demonstrating positive price underselling effect. The weighted average injury margin on grade wise computed comes to *** USD//Kg.

Particulars	Unit	POI
Non-Injurious Price	US\$/KG	***
Landed Price	US\$/KG	5.83
Injury Margin / Price Underselling	US\$/KG	***
Injury Margin / Price Underselling	%	***
Injury Margin / Price Underselling	%, Range	40-50

54. It is seen that the dumped imports from subject country were at prices below the non-injurious price for the domestic industry, thus resulting in significant price underselling.

K. Economic Parameters of the Domestic Industry

55. Annexure II to the Anti-Dumping Rules requires that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on domestic producers of such products. With regard to the consequent impact of dumped imports on domestic producers of such products, the Anti-dumping 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 facts and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity, factors affecting domestic prices, the magnitude of the margin of dumping, actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. The Authority has examined the injury parameters objectively considering various facts and submissions made.

a) Production, Capacity, Capacity Utilization and Sales

56. Capacity, production, sales, and capacity utilization of the Domestic Industry over the injury period is given in the following table.

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Annualised	Actual
Capacity	MT	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>100</i>	<i>113</i>	<i>119</i>	<i>119</i>
Gross Production	MT	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>113</i>	<i>157</i>	<i>138</i>	<i>138</i>
Capacity Utilization	%	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>113</i>	<i>139</i>	<i>116</i>	<i>116</i>
Domestic Sales	MT	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	<i>100</i>	<i>120</i>	<i>135</i>	<i>125</i>	<i>125</i>

57. It is noted that:

- i. Capacity of the domestic industry has increased over the injury period.
- ii. Production and sales increased till 2018-19. However, both production and sales have declined during the POI, despite significant demand in the country and idle capacity available with the domestic industry.
- iii. Capacity utilization increased till 2018-19 but declined significantly in the POI.

b) Profitability, Return on Investment and Cash Flow

58. The return on investment, profit/loss before and after interest, return on investment and cash profit during the injury period is as indicated in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Annualized	Actual
Cost of Sales	Rs/Kg	***	***	***	***	***
<i>Trend</i>	<i>index</i>	100	102	112	125	125
Selling price	Rs/Kg	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	131	160	131	131
PBT per unit -Domestic Sales	Rs/Kg	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	-100	2,032	3,422	399	266
Total Profit before Tax - Domestic Sales	Rs.Lacs	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	-100	2,424	4,578	474	440
Total Profit before interest and Tax - Domestic Sales	Rs.Lacs	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	-100	2,784	5,324	934	901
Cash Profit	Rs.Lacs	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	1,233	2,309	391	391
PBIT as % of Avg Capital Employed	%	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	-100	2,548	4,361	830	553

59. It is seen that:

- i. The domestic industry had managed to recover considerably from a situation of financial losses being suffered earlier, till 2018-19. However, its profitability declined significantly in the POI, with the increase in import volumes and decline in the import price in the POI.
- ii. Profits before interest, cash profits, ROI increased till 2018-19. However, profits before interest, cash profits, ROI declined significantly in the POI corresponding to steep decline in landed price of imports, and significant increase in imports.

c) Market Share in Demand

60. Market share of the domestic industry in demand for the product under consideration is given in the table below:

Market Share in Demand	Unit	2016-17	2017-18	2018-19	POI
Subject Countries Imports	%	9.32	9.31	7.43	10.41
Russia	%	9.32	9.30	0.27	4.20
Korea – Circumvented	%	0.00	0.01	7.16	6.21
Other Country attracting ADD - China PR	%	11.31	11.48	15.88	11.16
Other Country	%	21.11	21.29	15.23	18.69
Total Imports into India	%	41.74	42.08	38.55	40.26
Sales of Indian Producers	%	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	99	105	103
Sales of Domestic Industry	%	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	100	106	104
Other producers Sales	%	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	61	69	6
Total Demand	%	100	100	100	100

61. It is seen that the market share of domestic industry increased till 2018-19, when the market share of Russian imports declined. However, market share of imports of subject goods from Russia and those being circumvented through Korea has increased in the Indian market during the POI.

d) Employment, Productivity and Wages

62. The analysis of the number of employees employed by the domestic industry, its productivity and wages paid show as follows:

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Annualized	Actual
Employment	Nos	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	109	127	135	135
Productivity per day	MT	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	113	157	138	138
Productivity per Employee	MT	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	104	124	102	102
Wages	Rs.Lacs	***	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	109	127	141	212

63. It is seen that the employment with the domestic industry has increased over the injury period with increase in capacity. The wages have increased throughout the injury period. Productivity per employee and per day increased till 2018-19 but declined in the POI.

e) Inventories

64. Inventory position with the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Inventory - Average	MT	***	***	***	***
<i>Trend</i>	<i>Index</i>	100	77	66	84

65. Average inventories with the domestic industry declined upto 2018-19 but has increased in the POI despite significant demand in the country.

f) Growth

66. It is seen that the growth of the domestic industry in terms of production, domestic sales, capacity utilization, profitability, cash profit, ROCE, inventory and market share has been negative in the POI, when compared to the previous year i.e. 2018-19.

Growth Compared to Previous Year	Unit	2016-17	2017-18	2018-19	POI
Production	%	-	9	41	(13)
Domestic Sales Volume	%	-	20	12	(7)
Cost of sales domestic	%	-	2	9	12

Selling price domestic	%	-	31	22	(18)
Profit/Loss domestic	%	-	2,032	72	(91)
Average stock	%	-	(23)	(14)	28

g) Factors affecting domestic prices

67. The examination of the import prices from the subject country, 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, etc. shows that the landed value of imported material from the subject country is below the selling price of the domestic industry, NIP and cost of sales in the POI. The demand for the subject goods increased significantly over the injury period. The price of imported goods is below the net sales realization, cost of production and also below the non-injurious price of the domestic industry.

h) Ability to Raise Capital Investments

68. The domestic industry's ability to raise capital investment will be adversely impacted if the injury suffered by the domestic industry remains unaddressed.

i) Magnitude of Dumping Margin

69. The Authority notes that the dumping margin determined against the subject country is not only more than de-minimis but also significant despite anti-dumping duty being in force.

j) Magnitude of Injury and Injury Margin

70. The Authority has determined Non-Injurious Price for the domestic industry on the basis of principles laid down in the Anti-dumping Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. This non-injurious price of the domestic industry has been compared with the landed values of the subject imports from the subject territory to determine injury margin. The Authority has determined injury margin separately for each grade. The weighted average injury margin come to Rs. ***/Kg. (US\$ ***/Kg).

Particulars	Unit	POI
Non-Injurious Price	US\$/KG	***
Landed Price	US\$/KG	5.83
Injury Margin	US\$/KG	***
Injury Margin %	%	***
Injury Margin Range	%, Range	40-50

71. It is seen that the landed price of the subject goods from the subject country was lower than the NIP determined for the domestic industry. The injury margins are positive and significant.

L. CAUSAL LINK AND OTHER FACTORS

72. As per the AD Rules, the Authority, inter alia, is required to examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. The present investigation being a sunset review investigation, the causal link has already been examined in the original investigation. The Authority further examined whether other known listed factors have caused injury to the domestic industry. It was examined whether the following other factors listed under the AD Rules could have contributed to the injury suffered by the domestic industry

a) **Volume and value of imports from countries not subjected to Anti-Dumping Duty**

73. Imports from China have also been attracting anti-dumping duty and it is observed that their landed value is more than that of subject goods from subject countries. No other country has a significant share in volume of imports of subject goods in India, therefore, the injury to the domestic industry cannot be attributed to imports coming from any other source.

b) **Contraction in demand or Changes in the pattern of consumption**

74. Demand for the product under consideration has shown a positive growth. Thus, contraction in demand cannot be a factor contributing to the injury to the domestic industry. Moreover, the pattern of consumption with regard to the product under consideration has also not undergone any change.

c) **Trade restrictive practices of and competition between the foreign and domestic producers**

75. There is no known trade restrictive practice which could have contributed to the injury claimed by the domestic industry.

d) **Developments in Technology**

76. Technology for production of the product has not undergone any change nor is any change likely in the foreseeable future. Developments in technology is, therefore, not a factor of injury claimed by the domestic industry.

e) **Export Performance**

77. The applicant exports the product under consideration. Injury information has been segregated and therefore it could not be the factor responsible for injury claimed by the domestic industry.

78. The Authority notes that annualized capacity of the domestic industry during POI is *** MT with a capacity utilization of ***%. Total demand of the PUC in POI is *** MT in which the share of domestic industry is about ***%. The Authority notes that the domestic industry in the present factual matrix of exports and domestic sales may not be able to attain 100% capacity utilization even if entire demand in the domestic market is catered by the domestic industry. Though capacity utilization in the POI is ***%, the NIP has been computed at ***% capacity utilization resulting into reduction in injury margin. The injury margin after capacity adjustment is still higher than the dumping margin. Therefore, the effect of excess capacity created by domestic industry is appropriately addressed. Further, weighted average export realization being higher than the domestic price indicates that it is not a contributory factor to injury.

M. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

79. Consistent with the guidance provided through the Agreement On Implementation Of Article VI of The General Agreement On Tariffs And Trade, Customs and Tariff Act, 1975 and the AD Rules, in a review investigation, the Authority makes its determination on the likelihood or continuation of recurrence of dumping of the subject goods into the Indian market and whether injury to the domestic industry is likely to continue or recur due to these dumped imports if the duty is removed. The likelihood determination is a prospective determination. In other words, the Authority undertakes a forward-looking analysis and seeks to resolve the issue of what would be likely to occur if the duty were terminated.
80. The present investigation is a sunset review of duties imposed on the imports of subject goods. Under the Rules, the Authority is required to determine whether continued imposition of antidumping duty is warranted. This also requires an examination of whether the duty imposed is serving the intended purpose. Further, the Authority has also examined other relevant factors having a bearing on the likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry.
81. Although, no guidance is provided through the Anti-dumping Agreement into the factors to be analysed while undertaking a Review, Clause (vii) of Annexure II of the Rules provides, inter alia for factors which are required to be taken into consideration viz.:
- i. A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation;
 - ii. Sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports;

- iii. Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports; and
 - iv. Inventories of the article being investigated.
82. Insofar as the arguments of the Russian exporter regarding their own capacity utilisation and interest in other export markets are concerned, it could not be verified as the exporters have not filed a questionnaire response.
83. The examination of the parameters of likelihood relevant in this case is as follows:
- i. **Continued dumping of the subject goods**
84. The existence of dumping margins while the duty has been in place is highly probative of the likelihood or continuation of dumping. If companies continue to dump with an existing duty, it is reasonable to assume that dumping would continue if the duty was to be removed. The Authority normally determines that revocation of an existing duty would be likely to lead to continuation or recurrence of dumping when dumping continued at any level above de minimis after the issuance of its finding. In this case it can be observed that the dumping since the original investigation has continued as has been determined in subsequent Reviews undertaken by the Authority.
85. The final findings of the Authority in the recently concluded Mid-term review investigation are recalled in this regard, wherein it was concluded that duties required further enhancement in the instant case. The situation in the Indian market created a result of ineffectiveness of duties, represents the situation of likelihood, should duties cease to exist.
86. Although, the exporters from Russia have chosen not to file questionnaire response in the present investigation, earlier in the 3rd Sunset Review when the exporter from Russia had participated, the dumping margin was found to be quite significant.
87. Further, post the imposition of the anti-dumping duty in the 3rd Sunset Review, the Authority found that there was a shift in pattern of trade of the PUC and the anti-dumping duties were being circumvented by exports being made through Korea RP.
- ii. **Volume of imports and increase in imports in presence of anti-dumping duties**
88. The Authority notes that there were significant imports from subject countries in absolute terms in present period. It is also noted that though the overall volume of imports has come down during the POI from the base year, the volume of imports from subject country has increased significantly from the preceding year. Thus, the fact that the imports have increased despite duties in force indicates that the imports are likely to increase further in the event of cessation of duties.

iii. Persistent presence of exporters in the market and vulnerability of the domestic industry

89. The Authority notes the Anti-circumvention and Mid-term final findings, in this regard to examine, the manner in which the producer/exporter in Russia attempted to maintain their presence in the Indian market. Circumvention of the existent duty through exports via Korea RP shows that the exporters are not able to compete with the domestic industry if an anti-dumping duty is in place and have to resort to circumvention to retain their market share.

iv. Price attractiveness of Indian market

90. The applicant has claimed that in the event of cessation of duties, such exports are likely to be diverted to India due to the comparative price attractiveness of the country, as a significant volume of exports of subject goods from the subject country are being made at prices which are undercutting the domestic industry prices, and also are lower than NIP suggesting likelihood of recurrence of a more severe injury to the domestic industry.

v. Different grades of PUC

91. In the last Sunset Review, the quantum of anti-dumping duty was based on one grade of the PUC as only one grade had been exported by the exporter. On this basis, a fixed duty was recommended on the PUC. There exists significant price difference between the different grades of the PUC. The Authority has observed that during the injury period of the present investigation and the POI, several other as well as higher grades have also been imported.

92. The Authority notes that because the PUC being a mix of different grades, it being circumvented through exports from Korea, non-participation of producer/exporter and continued dumping and consequent injury, there exists a likelihood of dumping and consequent injury.

N. PUBLIC INTEREST

93. Authority considered whether imposition of proposed ADD shall have adverse public interest. For the same, the Authority examined whether the imposition of the proposed duty on imports of the product under investigation would be against the larger public interest. This determination is based on consideration of information on record and interests of various parties, including domestic industry, importers and consumers of the product.

94. The authority issued gazette notification inviting views from all interested parties, including importers, consumers and other interested parties. Authority also prescribed a questionnaire for the consumers to provide relevant information with regard to present investigations, including possible effect of ADD on their operations. The Authority sought information on, inter-alia, interchangeability of the product supplied by various suppliers

from different countries, ability of the domestic industry to switch sources, effect of ADD on the consumers, factors that are likely to accelerate or delay the adjustment to the new situation caused by imposition of ADD, impact of imposing the present duty. The authority notes however, that no user/consumer has participated in the present investigation, by filing a User questionnaire Response.

95. The domestic industry has made submissions on producer's interest, impact on eventual end products and benefits of imposition of duties and that the prices of domestic industry are lower than the prices offered by the rest of the world. It is noted that that in this investigation only one importer has participated in this investigation All concerns of the said imported with respect to quality and preference remain unsubstantiated, and hence, cannot be examined by the Authority. M/s Galaxy Thermoplast Pvt. Ltd (SSI) in its brief letter has claimed that increase in duty is likely to lead them to close the plant, however, no basis has been provided for this.
96. To assess the impact of the duties on eventual end-products, as has been noted in the Anti-circumvention final finding, the subject goods as such have no direct application and/or use. They must be transformed to be of application. The products from PTFE are primarily used in the pharma and food industry, and it is noted that considering the investment in these industries, the implication of cost of PTFE on the end-product is miniscule.
97. The information of the domestic industry shows that the manufacturing facilities of the domestic industry are under-utilized. The domestic industry is fully competent to cater to the entire demand of the product under country. Moreover, the required remedial measures did foster investment in the country as is seen from the capacity that was 5500MT in the original investigation, has increased to a capacity that is 3 times that number. The measures entailed growth of the product, consumption and its consumer industry, employment and forex earnings.
98. 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 country in any way, and therefore, would not affect the availability of the product to the consumers.

O. POST DISCLOSURE COMMENTS

a. COMMENTS MADE BY THE DOMESTIC INDUSTRY

99. Following submissions have been made by domestic industry:

- i. The domestic industry agrees with the conclusion drawn by the Authority. However, it has submitted that, there is a need for upward enhancement of duties considering Authority's determination that domestic industry was suffering injury in the MTR final findings, and due to continued injury being suffered from subject imports.
- ii. Margins determined in case of Russia may be considered for fixation of the new duty and the same may be made applicable to imports from Korea as well, instead of calculating a weighted average of Russia and South Korea

b. COMMENTS MADE BY OTHER INTERESTED PARTIES

100. The submissions of other interested parties are as follows -

- i. Only about 551 MT material was imported from Russia duty paid in an Indian demand of about 12,000-15,000 MT and averments are made that such meager imports had caused injury and such imports are likely to cause further injury if the duties are expired.
- ii. The claim of the petitioner, who has been making exceptional level of profits for years together, for continuation of duties even after two decades of ADD at the best flows from a misplaced presumption that the petitioner enjoys some sort of entitlements to enjoy perpetual ADD even when the facts of the case show the ADD is not warranted any further.
- iii. The facts on injury to the domestic industry shows that the performance on all the parameters have significantly improved by the POI in comparison to the base year. The price parameters, however, have shown a decline between immediate previous year and POI. It is submitted that the said fall is immaterial as the performance have still improved very significantly over the base year which is more authentic and reliable to reach to a conclusion on performance.
- iv. The Authority ignored the base year to POI growth and reached to conclusion on material injury only looking at the performance during POI and immediate previous in a recently concluded MTR concerning the same product from Russia and the said finding was not accepted by the MOF.
- v. The ROCE of the DI increased from 100 basis indexed points to -100 to 830 points and PBT increased from -100 to 399 points by the POI. Also, the NSR increased from 100 to 131 points in the POI. All such robust growths have been registered by the DI when the claim is about existence of significant dumping and injury margin which alone shows the claim of dumping and injury margins are highly misplaced and does not add up in view of the performance delivered by the DI.
- vi. The claims of continued dumping completely undermines the fact that the import from Russia have been very insignificant viz. Indian demand and majority of such imports were duty free imports. The Authority has placed reliance on MTR finding in para 86 whereas it is a fact the MTR finding by DGTR was rejected by the MOF. Rejection of MTR finding further shows that the contentions of the exporter in the

- said MTR were justified. Also, import of PUC from Russia historically been very minimal and the intolerance of the DI against such imports shows their intentions to create a monopolistic market for PTFE in India by completely stopping imports from Russia.
- vii. The Authority has in fact adopted the likelihood claims of the petitioners without any corroboration in the discussions in the Disclosure but rejected the claims of the exporter at the very threshold. HaloPolymer reiterates that the Company have been operating at a utilization of 95% to 105% and with the recent agreements to supply additional volumes to large users in US, EU etc. the Company may not be even catering to the Indian customers going forward who have been dependent on the Company for the material for quite some time. There are no volumes or price parameters which make Indian market any lucrative and essential market for HaloPolymer and the Indian users have been buying some quantities from us due to their own compulsions and not because HaloPolymer offered them any price which was dumped and injurious in any manner as alleged. These facts alone should lead to a conclusion that there is absence of any increased exports at dumped and injurious level from Russia in case of expiry of present duties.
 - viii. HaloPolymer does not see any increase in exports to India even if the ADD is expired, as the Company finds the price in other markets as more prudent and expiry of duty have no utility to divert such other market volumes to India.
 - ix. Normal value has been determined on the basis of estimates of “cost of production in Russia...” but no source of such information was specified. At the same time there is no amount of adjustments for Ocean freight, Insurance, Commission, Bank charges, Port Expenses and Inland Freight Charges in the Disclosure statement.
 - x. Such adjustments are not confidential, because the Authority specified it in some cases (i.e. antidumping investigation concerning Soda Ash and Ammonium Nitrate originating inter alia from Russia).
 - xi. The Ministry of Finance of India rejected the recommendation of the Authority to increase current ADD in mid-term review of the ADD concerning PTFE from Russia. It may reflect that the Applicant’s price behavior on the domestic market does not correlated with import of the Russian PTFE.
 - xii. Indian market was not major importer for Russian PTFE in 2020. At the present situation Europe and other world markets are key export destinations of Russia which represent in total 99.86% in 2020.

c. EXAMINATION BY THE AUTHORITY

101. The Authority notes that most of the submission by the domestic industry and interested parties are repetitive in nature. The Authority has examined additional/new relevant submissions of the interested parties as under:
 - i. As regards the argument that the duties may be modified based on the weighted average price of Russia alone, and excluding exports made from Korea, it is noted that the exports from Korea RP has been added in the subject goods as they were the Product under Investigation (PUI) in the circumvention investigation

concluded by the Authority, based on which the Ministry of Finance through its Notification No. 24/2021-Customs (ADD) had levied Anti-dumping duty on imports from Korea RP.

- ii. Certain other interested parties have raised concerns about the impact of imports happening under advance licensing and thereby not attracting any anti-dumping duty. The Authority, in this regard, again reiterates that if the duty-free imports are excluded from the market share analysis the share of subject goods shall still amount to 7.68%, which is not only above de-minimis, but also quite significant.
- iii. For the computation of Normal Value, the Authority has made appropriate adjustments for Ocean Freight, Insurance, Commission, Bank Charges, Port Expenses, and Inland Freight Charges, based on the facts available to determine export price at ex-factory level, as has been its consistent practice.

P. CONCLUSION

102. Having examined the contentions of the Domestic Industry and interested parties and based on the analysis as above, the Authority concludes that:
- a. There is continued dumping of the subject goods, despite the measure being in force for long which warranted this 4th SSR. Given the continuance of dumping and consequential injury, the imports are likely to continue entering the Indian market at dumped prices.
 - b. The imports are further being manifested by the process of circumvention through South Korea on which the Authority has also extended the measure.
 - c. The domestic industry consequently, continues to suffer injury as evaluated in the POI.
 - d. The collaborative and supportive evidence indicates that the cessation of ADD at this stage will lead to continuation of dumping and a more severe injury to the Domestic Industry.

Q. RECOMMENDATIONS

103. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide information on the aspects of dumping, injury and the causal link.
104. Having concluded that there is continued material injury to the domestic industry as well as likelihood of continuation/ recurrence of dumping and injury if the existing anti-dumping duties are allowed to cease, the Authority is of the view that continuation of duty is required on the import of subject goods.
105. In terms of provision contained in Rule 4(d) & Rule 17(1) (b) of the Rules, the Authority recommends imposition of anti-dumping duty equal to the lesser of margin of dumping and the margin of injury, so as to remove the injury to the domestic industry. Accordingly,

definitive anti-dumping duty equal to the amount mentioned in Column 8 of the duty table below is recommended to be imposed for five (5) years from the date of the Notification to be issued by the Central Government, on all imports of subject goods originating in or exported from subject country.

Duty Table

S. N.	Sub-Heading ***	Description of Goods	Specification	Country of origin	Country of export	Producer	Exporter	Amount	Unit of Measurement	Currency
1	2	3	4	5	6	7	8	9	10	11
1	390461 00	Polytetrafluoroethylene (PTFE)	Any	Russia/ Korea RP	Russia/ Korea RP	Any	Any	1.68	Kg	US Dollar
2	390461 00	Polytetrafluoroethylene (PTFE)	Any	Russia/ Korea RP	Any other than Russia/ Korea RP	Any	Any	1.68	Kg	US Dollar
3	390461 00	Polytetrafluoroethylene (PTFE)	Any	Any other than Russia, Korea RP or People's Republic of China	Russia/ Korea RP	Any	Any	1.68	Kg	US Dollar

***Note - Customs classification is only indicative, and the determination of anti-dumping duty shall be made as per the description of the PUC. The PUC mentioned above should be subject to above ADD even when it is imported under any other HS code.

106. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 8B, 9 and 9A of the Customs Tariff Act, 1975, as amended from time to time.

R. Further Procedure

107. An appeal against the order of the Central Government arising out of this final finding shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.


(Anant Swarup)

Joint Secretary & Designated Authority