

**F. No. 7/10/2020-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**

Dated: 18<sup>th</sup> December, 2020

**Notification**

**Final Findings**  
**Case No. (MTR-02/2020)**

**Subject: Mid-Term Review investigation concerning imports of Polytetrafluoroethylene (PTFE) originating in or exported from Russia.**

**F.No. 7/10/2020-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 22<sup>nd</sup> January, 1999. The Preliminary Findings were notified on 9<sup>th</sup> June, 1999 and the provisional duties were imposed by the Ministry of Finance vide Notification No. 83/99-Customs dated 30<sup>th</sup> June, 1999. The Authority notified final findings on 13<sup>th</sup> October, 1999 recommending definitive antidumping duty on the subject imports of the subject goods. The definitive anti-dumping duties on the subject goods imported from the subject country were imposed vide Notification No. 141/99-Customs dated 30<sup>th</sup> December, 1999.
2. The Authority initiated 1<sup>st</sup> sunset review investigation vide Notification No.15/6/2003-DGAD dated 8<sup>th</sup> 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 7<sup>th</sup> October, 2004 holding that the domestic industry continues to suffer material injury. The form of duty was changed to reference

price. Ministry of Finance extended definitive antidumping duty vide notification No. 110/2004-Customs, dated the 18<sup>th</sup> November, 2004 on imports of the subject goods from the subject country.

3. The Authority initiated 2<sup>nd</sup> sunset review investigation vide Notification No. 15/30/2008-DGAD dated 27<sup>th</sup> February 2009 and recommended continued imposition of definitive anti-dumping duty vide Notification No. 15/30/2008-DGAD, dated 26<sup>th</sup> February 2010 holding that domestic industry continues to suffer material injury. The form of duty was changed to fixed form-. The Ministry of Finance extended definitive antidumping duty vide notification No. 57/2010-Customs, dated 3<sup>rd</sup> May 2010 on imports of the subject goods from the subject country.
4. The Authority initiated 3<sup>rd</sup> Sunset Review investigation vide Notification no. 15/2/2015-DGAD dated 13<sup>th</sup> April 2015 and issued Final Finding dated 12<sup>th</sup> April, 2016 recommending continuation of duties holding domestic industry continues to suffer material injury. The antidumping duty was reduced. Ministry of Finance through Notification No 23/2016-Customs (ADD) dated 6<sup>th</sup> June, 2016 extended duty for a period of 5 years.
5. The domestic industry filed appeal against the final findings before the Hon'ble CESTAT. Hon'ble CESTAT vide order dated 16<sup>th</sup> 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 15<sup>th</sup> March 2017 and the Ministry of Finance imposed the revised duties vide Customs Notification No.22/2017 dated 16<sup>th</sup> May 2017. The said ADD is in force till 5<sup>th</sup> June 2021.

**b. Present Mid-term Review investigation**

6. M/s Gujarat Fluorochemicals Limited (hereinafter referred to as the "Applicant") has filed an application requesting enhancement of quantum of the anti-dumping duties in accordance with Section 9A of the Customs Tariff Act 1975 read with Rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995. The Applicant contended that the circumstances have changed from the time of last conducted investigation and such change in circumstances has led to domestic industry suffering injury and requested for enhancement of anti-dumping duty imposed. After prima facie examination of facts, the Designated Authority initiated Mid Term Review vide Notification No. 7/10/2020-DGTR dated 16<sup>th</sup> April, 2020.

**B. PROCEDURE**

7. The procedure described below has been followed with regards to the investigation.

- i. The Authority, issued a public notice dated 16th April 2020 published in the Gazette of India Extraordinary, initiating midterm review investigation concerning imports of the subject goods from subject country.
- ii. The Authority forwarded a copy of the public notice along with questionnaire to 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 opportunity to make their views known in writing in accordance with the Rule 6(2) of the AD Rules. They were advised to reply within thirty seven days from the date of publication of the notification or from the date of letters.
- iii. The 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, wherever 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. Halo Polymer Trading Inc.
- v. In response to the initiation of the subject investigation, Halo Polymer Perm, JSC, Halo Polymer Kirovo-Chepetsk, LLC, and Halo Polymer Trading Inc. have filed only their legal submissions. The said exporters had submitted that they could not file questionnaire response as there was lockdown due to COVID-19 pandemic. However, domestic industry contended, based on comments on the submissions of the exporter, that this was a factually incorrect statement made by their legal consultants, as confirmed by the exporter itself. The exporter has stated that it was fully operational during lockdown period. 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. Therefore, none of the producers/exporters from the subject country have filed the exporter's questionnaire response.
- vi. The submissions by the Russian Federation have been duly considered.
- vii. Questionnaires were also sent to the following known importers, users and associations 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 Xomox Sanmar Ltd.,
5.	M/s T & F Insulations (P) Ltd.	6.	M/s Sanghvi Products
7.	M/s Finer Enterprises Pvt. Ltd.	8.	M/s Rasaii Flow Lines,

9.	M/s Venus Industries	10.	M/s Supremo Polymer Industries
11.	M/s Siflon Polymers,	12.	M/s Poly Fluoro Ltd
13.	M/s MIL Industries Ltd.,	14.	M/s Rollon Bearings P. Ltd.
15.	M/s Dip Flon Engineering Co.	16.	M/s Plastic Product engineering Co
17.	M/s Karnataka Polymer Product	18.	M/s Trelleborg Sealing Solutions (India) P. Ltd.,
19.	M/s PKN Caps & Polymers (P) Ltd	20.	M/s Mach Polymers.
21.	M/s Sanghvi Techno Products.	22.	M/s Ghaziabad Flopol Insulations Pvt. Ltd.
23.	M/s Jai hind polymers.	24.	M/s Tefkot Cable Company
25.	M/s Dhvani Polymer Industries.	26.	M/s Electro Polymers Pvt. Ltd.,
27.	M/s Aflon Engg Corporation	28.	M/s Hindustan Polymers,
29.	M/s Paclon Industries.	30.	M/s Aarathy Engg. Plastics,
31.	M/s Flora Enterprises Pvt. Ltd.,	32.	M/s S.N. Enterprise,
33.	M/s Babuji Electronics & Chemicals,	34.	M/s Hi-Tech Polymers,
35.	M/s Hindustan Nylons,	36.	M/s National Fluoromers, Industrial
37.	M/s Neo Wires & Allied Products Pvt.	38.	M/s Pap-Flon Engineering Co.,
39.		40.	M/s Vee Bee Industries,
41.	M/s Fluoro-Tech Engineering Pvt. Ltd.,	42.	M/s Galaxy Thermoplast Pvt. Ltd.,
43.	M/s GMM Pfaudler Ltd,	44.	M/s Dynamic (GLS) Industries
45.	M/s Shraddha Polymer Industries	46.	M/s Kanan Polymer.

- viii. In response to the initiation notification, none of the above-mentioned importers, users and associations have responded or filed the questionnaire response.
- 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 April, 2019 to December, 2019 (9 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 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 hearing held on 28<sup>th</sup> August, 2020. All the parties were requested to submit their written submissions and the rejoinder to the written submissions latest by 3<sup>rd</sup> September, 2020 and 8<sup>th</sup> September, 2020 respectively.
  - xvii. The submissions made by the interested parties to the extent considered relevant by the Authority have been addressed in this notification.
  - xviii. 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.
  - xix. A Disclosure Statement was issued on 18.11.2020 containing essential facts under consideration of the Designated Authority, granting time up to 25.11.2020 to furnish comments, if any, on Disclosure Statement. The Authority has considered post disclosure comments received from interested parties appropriately.
  - 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 71.24.

## **C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE**

### **C.1 Views of the Domestic Industry**

8. The domestic industry has made following submissions with regard to the scope of product under consideration and the like article:
  - i. The instant investigation being a mid-term review investigation for examination of request for enhancement 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 Custom Tariff Act, 1975 under custom sub-heading 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 goods imported into India. They are comparable in terms of the technical specifications, quality, functions or end-uses. The two are technically and commercially substitutable. Hence, should be treated as like articles in accordance with the Rules.

## **C.2 Views of the Opposing Interested Parties**

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

## **C.3 Examination by the Authority**

10. The present investigation is a mid-term review investigation and the scope of the product under consideration, as defined in the last conducted sunset review investigation is "Polytetrafluoroethylene" (also referred to as PTFE) originating in or exported from Russia.
11. PTFE is produced in various grades, such as molding grade, fine powder, aqueous dispersion 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 their unique characteristics which are 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.
12. The product is classified under Customs Tariff sub-heading 390461 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.
13. 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**

14. The domestic industry has made following submissions with regard to domestic industry and standing:
  - i. M/s Gujarat Fluorochemicals Ltd. has filed the application for review for enhancement of anti-dumping duty. There is one other producers 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 the other Interested Parties**

15. None of the exporters, importers, consumers and any other interested parties has filed any comment or submission with regard to standing of the domestic industry.

## **D.3 Examination by the Authority**

16. 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.
17. 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 subject country or any importer of the product under consideration in India.
18. In view of the above, the Authority holds that the Applicant constitute 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**

19. Views of the domestic industry with regards to confidentiality are as follows:
  - i. All information has been disclosed to the extent possible. As regards excessive confidentiality with regard to the basis of calculation of injury 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**

20. Views of other interested parties with regards to confidentiality are as follows:

- i. The Russian Federation during the course of the present investigation with regard to transparency and confidentiality submitted that no information on normal value, calculation of injury margin disclosed in NCV which deprives Russia right to defence and violates Article 6.2.

## **E.3 Examination by the Authority**

21. The Authority made available non-confidential version of the information provided by various interested parties to all interested parties in the form of an e-file through e-mail for the interested parties containing non-confidential version of evidences submitted by various interested parties for inspection as per Rule 6(7).
22. 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 evidences submitted by various interested parties were shared amongst each other by interested parties online due to constraints of access physical public file.

## **F. ASSESSMENT OF DUMPING AND DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN (DM)**

23. Under Section 9A(1)(c) of the Customs Tariff Act, 1975, 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)”

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 personals 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”*

26. It is also noted that the exporter filed no questionnaire response within the time limits or even thereafter. The Authority thus, notes that exporter has not cooperated with the Authority. The exporter, Halo Polymer Perm, JSC, has however offered a price undertaking for a minimum price of US\$ 4.5/Kg. There is no grade wise price offer by the exporter. However, since the exporter has not cooperated with questionnaire response, and the product involves a number of different product types, the price undertaking submitted by the exporter has not been accepted.

### **F.1 Normal Value**

27. Since none of the exporters in Russia have cooperated with the Authority by submitting questionnaire response nor have submitted any evidence with regard to the 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.
28. The imports in the last conducted investigation pertained only to grade 4RB, however the imports in the POI has been made of various other grades. Other grades forms 69% of total

imports in the POI. The normal value has been determined separately for different grades with the weighted average normal value of all grades being computed as US\$ \*\*\*/MT.

## **F.2 Export Price**

29. None of the exporters from the subject country has provided any information/details of 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 exporters from Russia has been determined after making due adjustments for Ocean Freight, Insurance, Commission, Bank Charges, Insurance, Port Expenses and Inland Freight Charges on the basis of facts available to determine export price at ex-factory level. The weighted average net export price for all grades so determined is US\$ \*\*\*/ MT.

## **F.3. Dumping Margin**

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

## **G. EXAMINATION OF INJURY AND CAUSAL LINK**

### **G.1. Injury Determination**

#### **G.1.1 Views of the Domestic Industry**

31. The following submissions were made by the domestic industry with regard to injury and causal link:
- i. NIP has changed significantly since the last concluded investigation in view of increase in cost of production since 2016-17, whereas the import price has declined significantly from previous year i.e. 2018-19. Thus, injury margin (IM) has increased.
  - ii. Volume of imports have increased 16 times the imports of previous year. This figure would be higher if Korean imports are added.
  - iii. Demand of the subject goods have increased over the injury period.
  - iv. Imports in absolute as well as in relation to production and consumption have increased significantly in the POI as compared to the previous year.
  - v. Price undercutting was earlier negative as the import volume was low. However, the price undercutting became positive and imports increased significantly in POI.
  - vi. Cost of production has increased over the injury period and selling price has declined in the POI. Import price was much below the level of cost of sales and selling price of the domestic industry.
  - vii. Considering increasing demand, capacity has increased. Production increased till 2018-19 but has declined in POI. Capacity utilization increased till 2018-19 but has declined in POI. Sales have declined despite increase in demand.

- viii. Cash profits, profitability and ROI, increased up to 2018-19 but have declined significantly in POI.
- ix. Market share of DI in demand increased up to 2018-19 but declined in POI, whereas imports declined till 2018-19 and increased in POI.
- x. Inventories declined till 2018-19 but increased in POI.
- xi. Growth was positive till 2018-19 but across all parameters has registered negative growth in POI.
- xii. Exporter has intentionally chosen to not participate by filing the EQR, despite the resources being available, and hence, must be treated as non-cooperative, as their comment in the written submissions proves.
- xiii. No restriction on conducting MTR investigation one year prior to expiry of duties. The domestic industry is already suffering injury. Waiting for sunset review investigation would mean continued injury to the domestic industry for another one year at the least.
- xiv. Price undertaking should not be accepted because (a) exporter has blatant false statement with respect to reason for not filing EQR; (b) prices of different types varies; (c) exporter sold only one grade in the previous POI and got a low duty, price undertaking would leave this exercise futile; (d) there is a prima facie case of circumvention as well.
- xv. Price undertaking being shown as a favour to DI when in fact there is a high dumping margin and exporter is prone to dumping.
- xvi. Applicant has only referred to Korean imports to show the volume of Russian imports – whether imported directly or through other countries. Merits of the present case, however, are well established based on the data on standalone basis. All data such as NIP, injury margin, dumping margin, export price, landed price and import price have been calculated only for Russia. Imports reported from Korea have not been included for the purposes.
- xvii. Net Sales Realisation (NSR) is significantly lower than NIP.
- xviii. Exporter had conveniently exported only one grade in the previous POI, thus attracting lower duty; and is now exporting several grades. Authority had imposed such lower duty on entire spectrum of PUC based on one grade, even though the price and cost varies grade wise. Margins even for 4RB has increased significantly.
- xix. Exporter has submitted no data to corroborate decline in cost of fluorspar. Evidence shows that in fact in 2018-19 and POI the price of fluorspar has increased significantly.
- xx. Rather than an end-point to end-point analysis, the examination of the economic situation of the domestic industry should take into account events within the entire injury period. It is not appropriate to compare the performance of the domestic industry between the base year and the POI. Such analysis would render information for the intervening period redundant and would not be an objective analysis. Reference is invited to *Argentina– Safeguard Measures on Imports of Footwear*, and *EC – Tube or Pipe Fittings*.
- xxi. The purpose of providing data from the base year is so that the Hon'ble Authority can appreciate the change in circumstances and injury to domestic industry with changes in pattern of trade. If the same occurs after a certain year, then so be it, as that justifies the merits of the present application, that so long as the imports were

- not coming in at dumped prices, the domestic industry was able to improve its performance.
- xxii. HF Acid case is different from the present case in HF Acid as well end point to end point analysis was not conducted. It was both from base year and previous year. In HF Acid case, the profits and ROI of the domestic industry improved in POI as compared to both the base year and preceding year. However, in the present case, there has been whopping decline in profits and ROI in the POI as compared to previous year.
  - xxiii. There is positive evidence of price suppression/ depression, undercutting and underselling coupled with negative growth across all of domestic industry's parameters, especially profits and ROI, unlike in HF Acid as would appear from reading the conclusion of HF Acid. The exporter by comparing the two cases, has managed to support the merits of this case, and presented more reasons as to why duties need enhancement.
  - xxiv. As long as the duties were effective the domestic industry was able to perform well. However, since 2018-19 the circumstances have changed as represented in the data submitted.
  - xxv. 22% of ROI is the reasonable level of ROI considered by the Authority, which the domestic industry was not yet been able to realise. The maximum ROI registered by the domestic industry was \*\*\*%. The ROI since then has declined to mere \*\*\*\*%.

#### **G.1.2 Views of the Interested Parties**

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

- i. Reason for not filing response is COVID-19 as company could not operate.
- ii. Duties will expire in a year from now and hence MTR at this stage is not essential.
- iii. Facts show withdrawal of duties and claim for enhancement of duties are unsubstantiated, therefore price undertaking should be considered.
- iv. Swift withdrawal of price undertaking by domestic industry demonstrated that the case lacks merit.
- v. Application not tenable under law because there is presumption of circumvention. POI of both MTR and circumvention are same. The Initiation Notification of circumvention case states that remedial effects were undermined due to circumvention. This is a case of applicant seeking multiple remedies.
- vi. Applicant's claim that only 4RB was exported and now other grades are being exported is incorrect. Fact is other grades have been exported in the past.
- vii. NIP/injury margin quantified has no meaning as DI has not suffered injury. Applicant should be directed to give import and injury data from Russia. Increase in injury margin untenable as imports from Korea have been considered.
- viii. Petition shows decline in imports and increase in import price. This shows the exporters were not reducing the prices to maintain any volumes to Indian market and the imports were taking place as per necessities in India.
- ix. No adverse effect of imports as parameters of DI has improved. Purpose of MTR to ban imports and monopolise. 22% ROCE benchmark for NIP to determine injury

- in review cannot be considered. Thus, ADD as assurance to reach every year 22% cannot be considered.
- x. PTFE is basic chemical, thus fluctuations in prices over the year due to key raw material cannot be ruled out. Hence, to examine the injury period that suits applicant is not reasonable. Base year to POI is common in AD cases and not shown why it should not be done in this case as well.
  - xi. Factors like substantial increase in interest, depreciation, wages, lack of growth in productivity etc. should be seen as to why profits came down a bit. Also, circumvention contradicts causal link of this case.
  - xii. Upon comparing facts of HF Acid and PTFE MTR, it would be seen that the fate of this should be same as HF acid.
  - xiii. Imports from Russia declined, and price increased. Increase in price is higher than increase in cost. NSR is higher than NIP, hence no injury.
  - xiv. Halo polymer has exported other product types in the past also. Import price increased by 35% from base year. Cost of fluorspar has remained stable and declined in POI. Injury parameters show robust performance and significant profits.
  - xv. NIP/injury margin relevant only for quantification of duty and since there is no continued injury hence, increased injury margin has no meaning. Claims of positive undercutting has no meaning when DI could register improvement in volume and price including selling price. Positive undercutting could be because of very high NSR.
  - xvi. Present case doesn't warrant ADD at all as profit, PBIT and ROCE has increased significantly.

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

- i. The comparison of POI (9 months) and previous years (full financial years) is incorrect due to non-equivalence of periods.
- ii. Even if the argument that other range of products weren't exported to India is considered, even then the scope of the ADD still includes all ranges since 1999.
- iii. No evidence that cost of raw materials has increased for products from Russia and that Russian producers did not proportionally increase its prices.
- iv. Share of Russia in total imports has come down from 22% to 10% from base year to POI. Slight increase in imports in POI may be due to growing Indian demand.
- v. Information including South Korea is unproven and hence inadmissible. Imports from third countries increased by 153% from base year, thus, deterioration of Indian industry may be due to that.
- vi. Comparison has been done for last 2 periods i.e. 2018-19 and POI. Injury period is from 2016-17. Hence state of applicant can be seen from base year to POI. Growth: (a) Capacity by 9%; (b) production by 35%; (c) capacity utilization by 23%; (d) domestic sales volume by 26%; (e) export sales by 45%; (f) wages by 74%; and (g) productivity by 35%.

### **G.1.3 Examination by the Authority**

34. Rule 11 of Antidumping Rules, read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the Domestic Industry, taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like article and the consequent effect of such imports on domestic producers of such articles.
35. 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. With regard to the price effect of the dumped imports, the Authority is required to examine whether there has been 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.
36. 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 submissions made by the interested parties.
37. It is noted that an anti-circumvention investigation has also been initiated on the ground that the imports from Russia are being circumvented through Korea. Hence, injury analysis has been undertaken both including and excluding imports from Korea while examining volume effect.
38. All the data in the POI have been annualised (i.e., multiplied by 12 and divided by 9) and then analysed/compared with the preceding years. Also, wherever, the present findings necessitate fair comparison for different types, the Authority has conducted a grade wise analysis.

#### **A. Volume Effect of Dumped Imports on the Domestic Industry**

##### **a) Assessment of Demand**

39. The Authority has taken into consideration, for the purpose of the present investigation, demand or apparent consumption of the product in India as the sum of domestic sales of the Indian Producers and imports from all sources. The demand so assessed and presented in the Table given below.

Demand In India	Unit	2016-17	2017-18	2018-19	POI	
					Annualised	Actual
Sales of Domestic Industry including Captive	MT	***	***	***	***	***
	Indexed	100	113	150	120	120

Sales of Other Indian Producers	MT	***	***	***	***	***
	Indexed	100	73	88	88	88
Imports from - Russia	MT	473	567	18	290	217
Import from Korea - Circumvented	MT	0.050	0.501	462	605	453
Total Imports both from Russia and Korea	MT	473	568	479	894	671
Imports from Other Country attracting ADD - China PR	MT	573	700	1024	844	633
Imports from other countries	MT	1070	1299	982	1083	812
Total Demand in India	MT	9657	11045	13750	11872	8904
	Indexed	100	114	142	123	123

40. 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.

#### b) Import Volumes and Market Share

41. Annexure-II (ii) of the AD Rules provides that with regard to volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports either in absolute terms or relative to production or consumption in India. The information regarding imports and market share is provided in the table below:

Import Volume	Unit	2016-17	2017-18	2018-19	POI	
					Annualised	Actual
Russia	MT	473	567	18	290	217
Korea	MT	0	1	462	605	453
Other Country attracting ADD - China PR	MT	573	700	1024	844	633
Other countries	MT	1070	1299	982	1083	812
Total Import Volume	MT	2116	2567	2485	2822	2116
Subject Country Imports (Excluding Korea) in relation to						
Production	%	22.33	22.10	0.71	10.27	10.27
Demand	%	4.89	5.14	0.13	2.44	2.44
	<i>Indexed</i>	<i>100</i>	<i>105</i>	<i>3</i>	<i>50</i>	<i>50</i>
Domestic Sales	%	***	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>100</i>	<i>3</i>	<i>49</i>	<i>49</i>
Subject Country Imports (Including Korea) in relation to						
Production	%	22.34	22.12	19.29	31.70	31.70
Demand	%	4.90	5.14	3.49	7.53	7.53
	<i>Indexed</i>	<i>100</i>	<i>105</i>	<i>71</i>	<i>154</i>	<i>154</i>
Domestic Sales	%	***	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>100</i>	<i>75</i>	<i>150</i>	<i>150</i>

42. It is seen that imports from Russia, in absolute terms, declined till 2017-18 and increased significantly thereafter in the POI. Imports in relation to production and consumption also followed the same trend. Imports after including Korea, which is allegedly circumventing the duties imposed on Russia, shows significant increase in the POI.

## B. Price Effect

43. 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 landed price of imports of the subject goods from the subject country.

### a) Price Undercutting

44. With regard to the effect of the dumped imports on prices, it is required to be analysed 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 prices or prevent price increases, which otherwise would have occurred in the normal course. Further, only exports from Russia have been considered for the purpose. Exports from Korea have not been considered for the purpose.

<b>Price Undercutting - Russia</b>	Unit	2016-17	2017-18	2018-19	POI
<b><u>Without ADD</u></b>					
Landed price of imports	Rs/Kg	318.21	465.36	721.09	442.35
Net sales realization	Rs/Kg	***	***	***	***
Price undercutting	Rs/Kg	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	% Range	25-35	20-30	1-10	25-35
<b><u>With ADD</u></b>					
Landed price of imports	Rs/Kg	377.64	522.50	783.02	504.66
Net sales realization	Rs/Kg	***	***	***	***
Price undercutting	Rs/Kg	***	***	(***)	***
Price undercutting	%	***	***	(***)	***
Price undercutting	% Range	15-25	10-20	(0-10)	15-25

45. 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 significantly below the selling price of the domestic industry. Interested parties have argued that the positive undercutting is due to a high NSR, which does not appear to be correct as the selling price is even below the NIP.

## b) Price Suppression and Depression

46. 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	465	721	442
	<i>Indexed</i>	<i>100</i>	<i>146</i>	<i>227</i>	<i>139</i>
Landed price of imports with ADD	Rs/Kg	378	522	783	505
	<i>Indexed</i>	<i>100</i>	<i>138</i>	<i>207</i>	<i>134</i>
Cost of Sales	Rs/Kg	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>102</i>	<i>112</i>	<i>128</i>
Selling price	Rs/Kg	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>131</i>	<i>160</i>	<i>137</i>

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

## c) Price Underselling

48. 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 subject imports were 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 Rs.\*/Kg (US\$ \*/Kg).
49. It is seen that the dumped imports from subject country were at prices materially below the non-injurious price for the domestic industry, thus resulting in significant price underselling.

## C. Economic Parameters of the Domestic Industry

50. 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 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 factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. The Authority has examined the injury parameters objectively taking into account various facts and submissions made.

**a) Production, Capacity, Capacity Utilization and Sales**

51. 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>Indexed</i>	<i>100</i>	<i>100</i>	<i>109</i>	<i>109</i>	<i>109</i>
Production	MT	***	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>108</i>	<i>155</i>	<i>134</i>	<i>134</i>
Capacity Utilization	%	***	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>109</i>	<i>141</i>	<i>123</i>	<i>123</i>
Sales of Domestic Industry including Captive	MT	***	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>113</i>	<i>150</i>	<i>120</i>	<i>120</i>

52. 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, production and sales declined in POI despite increase in demand.
- iii. Capacity utilization increased till 2018-19 but declined in the POI. Further, the level of capacity utilization is also low.

**b) Profitability, Return on Investment and Cash Flow**

53. 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	
					Annualised	Actual
Cost of Sales	Rs/Kg	***	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>102</i>	<i>112</i>	<i>128</i>	<i>128</i>
Selling price	Rs/Kg	***	***	***	***	***

	<i>Indexed</i>	100	131	160	137	137
PBT per unit -Domestic Sales	Rs/Kg	(***)	***	***	***	***
	<i>Indexed</i>	(100)	1,932	3,322	475	475
Total Profit before Tax - Domestic Sales	Rs.Lacs	(***)	***	***	***	***
	<i>Indexed</i>	(100)	2,324	4,478	598	449
Total Profit before interest and Tax - Domestic Sales	Rs.Lacs	(***)	***	***	***	***
	<i>Indexed</i>	(100)	2,684	5,224	949	712
Cash Profit	Rs.Lacs	***	***	***	***	***
	<i>Indexed</i>	100	1,232	2,306	494	371
PBIT as % of Avg Capital Employed	%	(***)	***	***	***	***
	<i>Indexed</i>	(100)	2,448	4,258	1,054	1,054

54. It is seen that

- i. The domestic industry had managed to recover from a situation of financial losses being suffered earlier. Profitability of the domestic industry improved till 2018-19. However, profitability of the domestic industry 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.

**c) Market Share in Demand**

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

<b>Market Share in Demand</b>	Unit	2016-17	2017-18	2018-19	POI
Domestic Industry including Captive	%	***	***	***	***
	<i>Indexed</i>	100	98	105	98
Other Indian Producers	%	***	***	***	***
Subject Country - Russia	%	4.89	5.14	0.13	2.44
Korea	%	0.00	0.00	3.36	5.09
Other Country attracting ADD - China PR	%	5.94	6.34	7.45	7.11
Other Countries	%	11.08	11.76	7.14	9.12
Total Share in Demand	%	100	100	100	100

56. It is seen that the market share of domestic industry increased till 2018-19, when the market share of Russian imports declined. However, the market share of domestic industry declined in the POI with the increase in market share of Russian imports and despite decline in market share of China.

57. Market share of Russia in demand after including Korean imports shows significant increase in the POI.

**d) Employment, productivity and wages**

58. 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	
					Annualised	Actual
Employment	Nos	***	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>109</i>	<i>127</i>	<i>135</i>	<i>135</i>
Productivity per day	MT	***	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>143</i>	<i>125</i>	<i>125</i>	<i>125</i>
Productivity per Employee	MT	***	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>100</i>	<i>122</i>	<i>100</i>	<i>100</i>
Wages	Rs.Lacs	***	***	***	***	***
	<i>Indexed</i>	<i>100</i>	<i>109</i>	<i>127</i>	<i>174</i>	<i>174</i>

59. 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 to decline in production.

**e) Inventories**

60. 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>Indexed</i>	<i>100</i>	<i>77</i>	<i>66</i>	<i>83</i>

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

**f) Growth**

62. It is seen that the growth of the domestic industry in terms of production, domestic sales, selling price, profit/loss, stock and cost of sales is negative in POI as compared to the preceding year.

Growth Compared to Previous Year	Unit	2016-17	2017-18	2018-19	POI
Gross Production	%	-	9	43	(13)
Domestic Sales Volume	%	-	20	12	(7)

Cost of sales domestic	%	-	2	9	15
Selling price domestic	%	-	31	22	(15)
Profit/Loss domestic	%	-	(2,032)	72	(86)
Average stock	%	-	(23)	(14)	26

**g) Ability to Raise Capital Investments**

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

**h) Factors affecting domestic prices**

64. 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 and cost of sales in the POI. The price undercutting has led to price depression in the Indian market. The demand for the subject goods increased significantly over the injury period and could not have been a factor affecting domestic prices. It is seen that the principal factor affecting the domestic prices is the imports. The Authority notes that price of imported goods is below the net sales realization, cost of production and also below the non-injurious price of the domestic industry, causing price undercutting, price depression and price underselling in the Indian market.

**i) Magnitude of dumping margin**

65. 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**

66. The Authority has determined Non-Injurious Price for the domestic industry on the basis of principles laid down in anti-dumping Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the 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).
67. It is noted that there has been a significant increase in the Non-injurious price of the domestic industry with significant decline in landed price.

## **H. CONCLUSION ON INJURY**

68. Considering various parameters relating to material injury provided under the Anti-Dumping Rules, the Authority concludes that import of subject goods from the subject country first declined and thereafter increased significantly in POI with significant decline in import price. Consequently, market share of the imports from subject country first declined and thereafter increased significantly in the POI and that of the domestic industry has declined. Price undercutting is significantly positive even with ADD and has caused price depression in the POI, while imports were depressing the domestic prices till 2017-18. Import from the subject country has impacted the domestic industry adversely in terms of volume and price parameters in the POI. The injury margin has increased in the present POI as compared to the last conducted sunset review investigation.

## **I. CAUSAL LINK AND OTHER FACTORS**

69. The Authority examined whether other factors listed under the Rules caused injury to the domestic industry.

### **Volume and value of imports not sold at dumping prices:**

70. Imports from China are also attracting anti-dumping duty. The Authority is separately investigating imports from Korea. Imports from other countries are not significant in volume or the price is higher and hence cannot be considered as the cause of the injury claimed to be suffered by the domestic industry.

### **Contraction in demand or Changes in the pattern of consumption:**

71. Demand for the product under consideration has not registered any negative growth. Instead, it has increased and shown a positive growth. Thus, contraction in demand is not 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. Change in the pattern of consumption is thus not a factor that could have contributed to the injury claimed by the domestic industry.

### **Trade restrictive practices of and competition between the foreign and domestic producers:**

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

### **Developments in technology:**

73. 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.

### **Export performance:**

74. 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.

**J. Post Disclosure Comments**

75. The post disclosure submissions have been received from the interested parties. Majority of the issues raised therein have already been raised earlier during the investigation and also addressed appropriately. Additional submissions have been analysed as under:

**K. Comments made by the Domestic Industry**

76. The following comments on Disclosure statement are submitted by domestic industry:
- i. In regard to the price undertaking offered by the exporter as also noted by the Authority, it is stated that since the said exporter has not even filed any response its request for price undertaking should not be entertained. The dumping margin recorded by the Authority for Russia in SSR case was 100-150%. This refutes the claim of the exporter about their alleged intentions not to dump. Additionally, the exporter has not even bothered to provide any information grade-wise even while offering the price undertaking. The exporter has rightly being treated as non-cooperative and any attempt to deviate the focus of this investigation by submitting a price undertaking, should be quashed.

**L. Comments made by the other Interested Parties**

77. The following are the submissions made by the other interested parties considered relevant by the Authority:
- i. Importers/Users/Associations listed in the disclosure were purchasing the subject goods from the Russian producer HaloPolymer. This is proved by customs statistics for the period of investigation. Based on the foregoing, the statement about the absence of questionnaire responses is unrepresentative and irrelevant for the investigation. Failure to submit questionnaire responses by organizations that are not importers of the product under consideration should not be considered by the Designated Authority as evidence of the need to prolong and (or) increase the import duty.
  - ii. The volume of imports did not increase in the specified proportion (16 times). Moreover, the declared amount exceeds the reasonable and possible volume of production of Russian producers, the data are not confirmed by any evidence from the Applicant.
  - iii. The increase in demand indicates that the goods produced by the Indian industry is in demand in the global market. The import of the product under consideration from Russia and the use of it by Indian producers for the production of finished products have allowed Indian producers to enter foreign markets such as the United States. Additional restrictions, will negatively affect the ability of Indian producers to produce finished products. Moreover, this approach does not correspond to the trend of mutually beneficial economic cooperation between Russia and India.

- iv. The cost of production during the period of investigation did not increase, and the price of imports could not be lower than the cost and selling price of the domestic industry, since this provision contradicts the main goal of selling products by any seller - making a profit.
- v. Sales declined due to an increase in the price of products by the Applicant. Demand increased as Indian goods began to be in demand in the global market, but the overcharge did not allow them to compete with Chinese-made goods.
- vi. The Exporter refused to cooperate is insolent and untrue. HaloPolymer is open to cooperation, participates in the investigation as much as possible, taking into account the difficult epidemiological situation in the world.
- vii. It is unacceptable to narrow the concept of domestic industry to the extent of the production of products only by the Applicant, excluding manufacturers of finished products. This approach distorts the data and leads to a false conclusion about the injury to the domestic industry.
- viii. HaloPolymer expressed its intention to establish a price undertaking in respect of various brands of products exported and provided a fair proposal, which, was not properly considered.
- ix. The table on import volumes and market share indicates that the Russian exporter imported 18 tons of products during 2018-2019. The data declared by the domestic manufacturer itself indicate a clear absence of the impact of Russian exports on the domestic market and the principled inexpediency of establishing an import duty on products manufactured in Russia.
- x. The Disclosure says separate dumping and injury margin have been determined separately for different grades. However, no such grade wise information is provided in the disclosure so that we can offer any meaningful comment. It is not clear which all were the grades produced by the petitioner and what was the level of competition from imports in comparable grade in terms of volume and price from Russia.
- xi. The Authority should not undermine the progress historically made by the DI and make a sketchy conclusion that a dip between immediate previous year and POI calls for further enhancement of duty. Per contra, the case is a fit one for withdrawal of duty for the stupendous growth achieved between base year and POI which is more indicative of the overall situation of DI.

#### **M. Comments made by the Russian Federation**

78. The Russian exporter has expressed its intention to set price undertakings, but Authority did not accept it. According to Article 8.1 and 8.3 of the ADA, proceeding may be suspended or terminated without the imposition of provisional measures or anti-dumping duties upon receipt of satisfactory voluntary undertakings from any exporter to revise its prices or to cease exports to the area in question at dumped prices so that the Authorities are satisfied that the injurious effect of the dumping is eliminated.
79. The Russian exporter is open for cooperation, participates in the investigation as much as possible, therefore, the Authority should consider the price undertakings, suggested by Halo Polymer JSC.

## **N. Examination by the Authority**

80. The Authority notes that M/s HaloPolymer producer/exporter did not file the questionnaire response. The Authority therefore on the basis of import data available through DGCI&S and DI's data has evaluated grade wise Constructed Normal Value (CNV) and NIP so as to evaluate a weighted average NV and NIP to compute Dumping and Injury Margin. As the exporter did not file any questionnaire response no confidential disclosure on grade wise computation has been provided to them. The Authority notes that as regards low imports from Russia, in the ongoing concurrent case of anti-circumvention of PTFE from Korea and China, the producer/exporter has submitted that HaloPolymer has a warehouse in South Korea which is part of global supply chain/operations of the company for logistic efficiencies in the global trade. This facility is not used for any manufacturing activity. Therefore, the Authority has kept this aspect in view and has taken cognisance of imports from South Korea as well as mentioned in earlier paras.
81. The Authority notes that domestic industry has not expressed any willingness to accept the price undertaking offered by M/s HaloPolymer. Since, the PUC comprises of various grades, while a weighted average measure may be realistic, one price undertaking for all grades has not found favour of consideration by the domestic industry. The Authority also does not consider a single price undertaking as feasible and practical in the factual matrix of the case. The Authority has held in the earlier paras that domestic industry is suffering injury on financial parameters especially profitability, cash profit and PBIT.

## **O. Conclusion**

82. After considering the foregoing the Authority concludes that –
- i. The subject goods have been exported below their Normal Value (NV) from subject country during the period under investigation.
  - ii. The dumping margin determined for the producers/exporters is not only more than de-minimis but also significant despite anti-dumping duty being in force.
  - iii. The domestic industry continues to suffer injury on account of dumped imports from subject country.
  - iv. Anti-dumping duty in respect of imports from the subject country is required to be modified in view of changed margin of dumping and consequential injury in accordance with the lesser duty rule.

## **P. Recommendation**

83. The Authority had recommended imposition of antidumping duty on the imports of the subject goods, originating in or exported from the subject country vide Final Findings Notification No. 15/02/2015-DGAD dated 12<sup>th</sup> March 2016 which was imposed by the Central Government vide Notification No. 23/2016-Customs (ADD) dated 16<sup>th</sup> June, 2016 later modified vide C. N. No. 22/2017-Customs (ADD) dated 16<sup>th</sup> May, 2017.
84. The Authority notes that the mid-term review investigation was initiated and notified to all the interested parties and adequate opportunity was given to the domestic producers, exporters, importers and other interested parties to provide positive information on the aspects of dumping, injury and causal link. The Authority has concluded that the domestic

industry continues to suffer injury on account of dumped imports of the subject goods from the subject country at a higher level.

85. In view of the above, the Authority considers it necessary to recommend modification of the existing anti-dumping duties on the imports of the subject goods, originating in or exported from the subject country, in C.N. No. 22/2017-Customs (ADD) dated 16<sup>th</sup> May, 2017 as specified in the table below:

**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	3904 61 00	Polytetrafluorethylene (PTFE)	Any	Russia	Any	Any	Any	2.33	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.

**Q. Further Procedure**

86. An appeal against the order of the central Government arising out of this Final Findings Notification shall lie before the customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Customs Tariff Act, 1975.



(B.B. Swain)

Special Secretary & Designated Authority