

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

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

Dated the 23rd June, 2017

FINAL FINDINGS

Subject: Sun Set Review (SSR) of the Anti-Dumping duty in force concerning imports of “Polytetraflouroethylene or PTFE” originating in or exported from China PR

No. 15/11/2016-DGAD: Having regard to Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules thereof, as amended from time to time (hereinafter referred to as the AD Rules).

A. BACKGROUND –

The original investigation

1. The original anti-dumping investigation concerning imports of “Polytetraflouroethylene or PTFE” (hereinafter also referred to as the “subject goods”), originating in or exported from China PR (hereinafter also referred to as the “subject country”) was initiated by the Designated Authority (hereinafter also referred to as the “Authority”) vide Notification No. 14/25/2003-DGAD dated 27th July, 2004. The final finding was issued by the Authority, recommending imposition of definitive anti-dumping duties on the imports of the subject goods, originating in or exported from China vide Notification 14/25/2003-DGAD dated 25th July, 2005. On the basis of the findings, definitive anti-dumping duties on the subject goods imported from the subject country were imposed by the central government vide Notification No. 91/2005-Customs dated 17th October, 2005.

The Mid-Term Review

2. Subsequently, the Authority conducted a midterm review of the said definitive anti-dumping duty and modified the duty vide Notification No.15/33/2008-DGAD dated 26th February 2010 and such modified duty was imposed by the Central Government vide Custom Notification No. 42/2010 dated 5th April 2010. Further, on request of one of the interested parties, CESTAT remanded the case. Pursuant

to the order of CESTAT, the Authority provided an opportunity to the appellant and other interested parties to present their views orally and concluded vide Post Decisional Finding (Mid Term Review) No.15/33/2008 DGAD dated 10th February, 2012 that no modification is warranted in the final findings issued by the Authority vide Notification No. 15/33/2008-DGAD dated 26th February 2010.

The First Sunset Review

3. The Designated Authority, vide notification No.15/8/2010-DGAD dated 26th July, 2010 suo-motu initiated the sunset review, following which the Authority received a duly substantiated application from M/s. Gujarat Fluorochemicals Ltd. and M/s. Hindustan Fluorocarbons Limited for Sunset Review, requesting for review, enhancement and continuation of the duty. The Authority recommended continued imposition of the anti-dumping duties vide Notification No. 15/8/2010-DGAD- dated 25th July, 2011 which was imposed by the central Government vide Notification 81/2011 - Customs, dated 24th August, 2011.

The second Sunset Review; the present petition

4. The present petition was filed by Gujarat Fluorochemicals Ltd. (hereinafter referred to as "Petitioner" or "the applicant") before the Authority in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the Act) and 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 referred to as the AD Rules) for initiation of the second sunset review and extension of period, modification and enhancement of existing anti-dumping duties on imports of "Polytetrafluoroethylene" (hereinafter referred to as PTFE or subject goods or product under consideration 'PUC') from People's Republic of China .
5. The Authority, on the basis of sufficient prima facie evidence submitted by the applicant, issued a Notification No. 15/11/2016 DGAD dated 8th July, 2016, published in the Gazette of India, initiating the subject investigations in accordance with the Rule 5 of the above Rule to determine existence, degree and effect of the alleged dumping of the subject goods, originating in or exported from China, and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the alleged injury to the domestic industry. The Anti-Dumping Duty has been extended till 23rd August, 2017.
6. The subject goods imported from Russia are also attracting anti-dumping duty since the year 2005.

B. PROCEDURE

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

- (i) The Authority received a duly substantiated Sunset Review petition, in the prescribed format, from Gujarat Fluorochemicals Ltd. for review and continuation of the duty in force on imports of PTFE from China.
- (ii) The petitioner submitted prima facie evidence in this regard requesting for review and continuation of the anti-dumping duty in force.
- (iii) The Authority intimated to the Embassy of China in New Delhi that it has received a petition from the domestic industry to initiate sunset review investigation against imports of the subject goods originating in or exported from China.
- (iv) The Authority, on the basis of prima facie evidence submitted by the petitioner to justify initiation of the investigation, initiated sunset review investigation against imports of the subject goods originating in or exported from China vide Notification No. 15/11/2016- DGAD dated 8th July, 2016.
- (v) The Authority sent copy of the initiation notification dated 8th July, 2016 to the embassy of the subject country in India, known exporters from the subject country, known importers and other interested parties, as per the addresses made available by the applicant and requested them to make their views known in writing within 40 days of the initiation notification.
- (vi) The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Embassy of China in India in accordance with Rule 6(3) of the Rules supra.
- (vii) The known interested parties were requested to file questionnaire responses and make their views known in writing within the prescribed time limit. Copies of the letter and questionnaires sent to the exporters were also sent to embassy of the subject country along with a list of known exporters/producers, with a request to advise the exporters/producers from the subject country to respond within the prescribed time.
- (viii) The Embassy of China in India was informed about the initiation of the sunset review investigation in accordance with Rule 6(2) of the Rules with a request to advise the exporters/producers from China to respond to the questionnaire within prescribed time limit. A copy of the letter and questionnaire sent to the exporters was also sent to the Embassy of China along with the names and addresses of the known subject producers/exporters.
- (ix) The Authority sent exporter's questionnaires to elicit relevant information to the following known producers/exporters in China in accordance with Rule 6(4) of the Rules:
 1. M/s. Zhengxin Fluorocarbons, Dingyan town, Changzhou city, Jiangsu, China

2. Shandong Dongyue Chemical Co., Ltd, Tangshan, Huantai.Zibo. Shandong, China
 3. Changzhou Xiangtong Chemical Co.,Ltd, No.165 Qingliang Road, Changzhou, China
 4. TaizhouMeilan Resin Process Co. Ltd, 460 Yangzhou Rd. Taizhou, Jiangsu,China , Taizhou , Jiangsu (China)
 5. ShanDongDongYue Polymer Material Co., Ltd Tangshan Town Huantai County, Zibo City, Shandong Province, China
 6. DuPont (Changshu) FluoroTechnolozy Co. Ltd., Jiangsu High-Tech Fluorochemical Industry Park, Haiyu Town, Changshu City, Jiangsu Province, China
- (x) However, none of the exporters filed response to the exporter's questionnaire or made any other submissions.
- (xi) The Authority sent Importer's Questionnaires to the following known importers/users/associations of subject goods in India calling for necessary information in accordance with the Rules:
1. M/s Meerut PTFE Products Pvt. Ltd., C-2, Industrial Estate, Partapur, Meerut-250103
 2. M/s Trestar Elektroniks, A-8, Industrial Area, Meerut Road, Ghaziabad-201003, Uttar Pradesh
 3. M/s Tonk& Associates (P) Ltd., 48-49, Mohkampur, Industrial Complex, Phase-II, Delhi Road, Rithani, Meerut – 250103
 4. M/s E.I. Dupont India Pvt. Ltd., DLF Cyber Green, 7th Floor – C Tower, 25A DLF City – Phase III, Gurgaon, Haryana – 122002
 5. M/s T & F Insulations (P) Ltd., 503 Police Lines Road, Bulandshahr – 203001, Uttar Pradesh
 6. M/s Sanghvi Products, 36, Lalit Ware House, NarolSarkhej Highway, Narol, Ahmedabad – 382405, Gujarat
 7. M/s U. Goenka & Sons Ltd, Green Home, II House, Green Street, Mumbai. –400 001, Maharashtra
 8. M/s Pragati International, 15, Aradhanea Colony, Sector XIII R.K. Puram, New Delhi
 9. M/s Venus Industries, Lotus Building 171, Plot no 9, VillMoti Bag, Namarpura, New Delhi
 10. M/s Supremo Polymer Industries No. 5 & 8, Darshan Industrial Estate, Near Chirag Diomond, L. B. S. Stadium Road, Bapunagar, Ahmedabad- 380024, Gujarat
 11. M/s Guarniflon India Pvt Ltd., S. NO. 116/1 & 116/2, Village Kala, Amboli, Silvassa - 396191, Dadra And Nagar Haveli
 12. M/s Tee Coating Industries, Near G.D. High School, Sajhpura Bhoga, Naroda Road, Ahmedabad, --382345, Gujarat
 13. M/s Pragati Plastic Pvt. Ltd, 15, Aradhana Colony, Sector XII. R.K. Puram, New Delhi

14. M/s Automate Industries, 62. Adarsh Industries, Near Chakudia Mahadav, Ahmedabad, Gujarat
15. M/s Dip Flon Engineering Co., B- 143 b.G. Tower, SanghiBagh Road, Ahmedabad- 380004, Gujarat
16. M/s Plastic Product engineering Co, Near Dist Court, P.O. Narol- 382405, Ahmedabad, Gujarat
17. M/s Corrosion Engineers, near Gujrat Screen Printing Works, Opp. Narol Village, Behind Sarania Vas, P.O. Narol- 382405 Ahmedabad, Gujarat
18. M/s TFE Coating industries, Plot No C 1 89/8, Gidc Estate, Vatva Gidc, P.O. Saijpur Bhogla, Naroda Road, Ahmedabad – 382445, Gujarat
19. M/s Mechanical Packing Industries,15, ParsiPanchyat Road, Andheri (West), Mumbai. 400069 , Maharashtra
20. M/s Mach Polymers,T-112, MIDC, Bhossari, Pune 411026, Maharashtra
21. M/s T& F Insulations Pvt Ltd., 503, Police Lines Road, Bulandshahr – 203001, Uttar Pradesh
22. M/s Ghaziabad Flopol Insulations Pvt. Ltd., K.M, Milestone, Meerut Road, Ghaziabad – 201001, Uttar Pradesh
23. M/s Sanghvi Techno Products., No. 119, Lalitware House, Near RanipurPatia, NarolSarkhej Highway, Ahmedabad – 382405, Gujarat
24. M/s Dip FlonEngg& Co., Plot No. C1-803,804. GIDC. Industrial Estate, Chhatral– 382729, Gandhinagar, Gujarat
25. M/s Jai hind polymers., H-81, M.I.D.C. Kupwad Block, Sangli - 416 436, Maharashtra
26. M/s Kanan Polymer, 146 A Shiv Shakti Estate, B/H Vijay Transport Co. Narol Cross Road ,Narol , Ahmedabad, Gujarat
27. M/s Dhvani Polymer Industries., No. 61, Kameshwar Estate, Plot No. 3609, Phase - 4, G. I. D. C., Vatva, Ahmedabad - 382445 , Gujarat
28. M/s AflonEngg Corporation, City Mill Compound, Kankaria Road, Kankaria, Near Big Bazaar, Ahmedabad – 380022, Gujarat
29. M/s Tefkot Cable Company, 1004, Rithani (East), Delhi Road, Meerut – 250103,Uttar Pradesh
30. M/s Packlon Industries., No. 53, Balaji Estate, Opposite Avtar Hotel, NH No. 8, Sanpur, Ahmedabad-382443, Gujarat
31. M/s Electro Polymers Pvt. Ltd., 8, Jyoti Industrial Estate, Near. Vishal Textiles, Opp. Narol Village, Narol, Ahmedabad – 382405, Gujarat
32. M/s Angana International, 41, Salvik Complex, Navrangpura, Ahmedabad-380023, Gujarat

33. M/s Plastic Products Engg Company, Near Dist. Court, P.O. Narol, Ahmedabad-382405, Gujarat
34. M/s Guarniflon India Pvt. Ltd., Survey No. 116/1 & 116/2, Village Kala, Amboli, Silvassa – 396230
35. M/s Fluoro Carbon Seals , 3/178, Old Mahabalipuram Road, Thuraipakkam, Chennai - 600 096, Tamil Nadu
36. M/s Fluoroplast Industries, 5/2, Dashrath Estate, Nr. Revabhai Estate, C.T.M. Cross Road, Ahmedabad-380026, Gujarat
37. M/s S.N. Enterprise, 15A/B, Sardar Patel Industrial Estate, Narol, Ahmedabad-382405, Gujarat
38. M/s Precision Polymer Industries, 66, Maheshwari Industrial Estate, Tawdipura, Shahibaug Road, Ahmedabad-380004, Gujarat
39. M/s Sanghvi Techno-Products, 119, Lalit Warehouse, Narol-Sarkhej Highway, Narol, Ahmedabad- 382405, Gujarat
40. M/s Sarasons Engineering Industries, Akash Ganga, 3rd Floor, Gujarat College Road, Ellisbridge, Ahmedabad – 380006, Gujarat
41. M/s Ganesh Flon, 6, Mahavir Estate, Near. Apsara cinema, Khokhara, Ahmedabad, Gujarat
42. M/s Pap-Flon Engineering Co., Plot No. 4721 / 22, Phase-IV, GIDC, Vatva, Ahmedabad – 382445, Gujarat
43. M/s GMM Pfaudler Ltd, P.Box No-1, AnandSojitra Road, Karmsad.
44. M/s Poly Fluoro Products, A-15, Nandjyot Industrial Estate, Safed Pool, Sakinaka, Mumbai-400072, Maharashtra
45. M/s Vimal Polymer Industries, 115-116 KamlaBhuvan, Sharma Industrial Estate, Walbhat Road, Goregaon (East), Mumbai-400063, Maharashtra
46. M/s Hindustan Polymers, 37/501, Sai Siddhi Society, Chh.ShivajiRaje Complex, (W), Mumbai – 400067, Maharashtra
47. M/s Tefol Polymer Industries, 306/B, 'Nisha' Apartments, Janakalyan Nagar, Malvani-I, Marve Road, Malad (W), Mumbai – 400095 , Maharashtra
48. M/s Dynamic (GLS) Industries, 33, Municipal Industrial Estate, UmelaPhata, Papdy, Vasai (W), Dist. Thane - 401207, Maharashtra
49. M/s Trimurti Polymers, A-5/503, Happy Valley, Tiku-Ji-Ni-Wadi Road, Chitalsar, Manpada, Thane (West)-400610, Maharashtra
50. M/s PTFE Rubber Works, 8, GeetaIndl. Estate, I.B.Patel Road, Goregaon (E), Mumbai – 400063, Maharashtra
51. M/s Igatwin Polymers Private Limited, Plot 4&5, Gut 322/233, Dam Road, Village Talegaon, Igatpuri-422403
52. M/s Mechanical Seals & Packaging Industries, 6, Jamnadas Industrial Estate, Dr. R.P. Road, Mulund (W), Mumbai – 400080
53. M/s Shraddha Polymer Industries, A2/102, Shruti Garden, Manorama Nagar, Kolshet Road, Thane (W) – 400607
54. M/s Apex Polymers, 130, Nagdevi Street, 1st floor, Mumbai – 400003

55. M/s Galaxy Thermoplast Pvt. Ltd., W-10 & 11, PanchalUdyog Nagar, Goddev Road, Bhayander (E), Thane – 401105
56. M/s Modern Industrial Corporation, 104/D, Govt. Industrial Estate, Kandivali (W), Mumbai - 400069
57. M/s Moreflon Industries, W-303, MIDC, Pipeline Road, Rabale, Navi Mumbai
58. M/s J.K.Polymer Industries, B/6, Seksaria Industrial Estate,Chincholi, S.V.Road, Malad(W), Mumbai- 400064
59. M/s Polymers, F-41, NanddhamInds. Estate, MarolMaroshi Road, Andheri(E), Mumbai – 400059
60. M/s Vee Bee Industries, Gala No. G/1, Gr.Floor, SaileshInds. Estate No.8, Navghar, Vasai (E) - 401210, Thane Dist .
61. M/s Garg Scientific Instruments, 39, Bharat Udyog Nagar, Babasaheb Kotkar Marg, Goregaon (E), Mumbai – 400063
62. M/s V.V.Fluro Product, 17, Pande Compound, Sonawala Cross Road No.2, Goregaon (East), Mumbai - 400063
63. M/s Shyam Polymers, Gala No. 3, Sai-UdyogInd Estate No.2, Nr.HP Gas Godown, Panchal Nagar, Bhayandar (E), Thane Dist– 401105
64. M/s S. Industries, C-203, Geeta Sarovar, Geeta Nagar,Phase-VII, Bhayandar (East), Thane Dist. – 401105
65. M/s ShyamFluro Products, 103, Khandoba Vishal Ind. Estate, Panchal Nagar, Bhayandar (East), Thane - 401105, Maharashtra
66. M/s Kiran Engineering, B-7/6, Kothari Compound No.3, Chitalsar, Manpada, Thane (W) - 400607
67. M/s Accurate Packing & Seals, Gala No.1, Vaishali Nagar, Mohan Arjun Compound, Near KarimShethIndl. Estate, Dahisar (E), Mumbai – 400068
68. M/s Ashish Dies &Moulds, 151, Ramjanak Compound, Opp.Veena Dalai Estate, Oshiwara, Josgeshwari (W), Mumbai – 400102
69. M/s Fluoro-Tech Engineering Pvt. Ltd., 132, Swami Vivekanand Ind. Co-Op. Society, Handewadi Road, Hadapsar, Pune – 411028
70. M/s National Fluoromers, Industrial Plot No. 1/2, Sharadaram Park, Near MIDC, MIRAJ - 416410, Maharashtra
71. M/s Mask Seals Company, S-Block, 72/4, MIDC, Bhosari, Pune – 411026
72. M/s Neo Wires & Allied Products Pvt. Ltd., S-Block, W-232, MIDC, Bhosari, Pune – 411026
73. M/s Hi-Tech Polymers, T-152, MIDC, Bhosari, Pune – 411026
74. M/s Sulflon Industries, 110, Anurag Gangote Path, Near Kamala Nehru Park, Pune - 411004
75. M/s Hindustan Nylons, C-23, MIDC, Miraj-416410, Dist. Sangli, Maharashtra

76. M/s AarathyEngg. Plastics, 116, Thambu Chetty Street, Chennai – 600001
77. M/s Spareage India Ltd.Oil Seal House, Road No. 28, Wagle Estate, Thane (W), Mumbai – 400604
78. M/s Kedar Polymers, Bhairavnath Engineering Works, 259, Near Mith-Ganj Police Chowky, Mahatma Phule (Ganj) Peth, Pune – 411002
79. M/s Babuji Electronics & Chemicals, Plot Nos. 11 & 14, Babuji Enclave, Madhapur, Cyberabad, Hyderabad - 500081, A.P
80. M/s Flora Enterprises Pvt. Ltd., Plot No. 86 & 87, S.No. 170, Phase-IV Extension, IDA Jeedimetla, Doolapally Road, Hyderabad- 55
81. M/s Flucon Polymers Pvt. Ltd., Plot No. A-59/2, IDA Kukatpally, Gandhinagar, Balanagar, Hyderabad – 500037
82. M/s Bafna Industrial Stores., 4-2-244, Old Bhoiguda, (Mahankali Street), Secundrabad – 500003
83. M/s Fluorokraft Private Limited., No. 274, IInd Main Road, Nehru Nagar, Kottivakkam, Chennai – 600096
84. M/s Industrial Spares Manufacturing & Trading Co. Plot No. 66, 77 Perungudi Industrial Estate, Chennai - 600 096
85. M/s Indofab Engineers, Plot # 19, Kakateeya Nagar, Golconda Road, Hyderabad - 500 008
86. M/s Trelleborg Sealing Solutions (India) P. Ltd., No.27, 32nd Cross, 7th block, Jayanagar, Bangalore-70
87. M/s PKN Caps & Polymers (P) Ltd., B-12, 'A', Brigade MM Ind. Complex, New K.R.Road, Jayanagar, Bangalore – 82
88. M/s Rollon Bearings P. Ltd., 7th Mile, Kanakapura Road, Doddakalasangra, Bangalore – 560062, Karnataka
89. M/s Karnataka Polymer Product No.124/2B, KachanayakanaHalli, Hennagara Post, Next BommasandraIndl. Area, Bangalore–06
90. M/s Visan Polymers, 113, KIADB Industrial Estate, Tarihal, Hubli, Karnataka
91. M/s MIL Industries Ltd., 25A, Industrial Estate, Ambattur, Chennai – 600098
92. M/s HIL Polymers, H.No.4-89/2, Chandanagar, Hyderabad - 500050
93. M/s Poly Fluoro Ltd. ,260A, BommasandraIndl. Area, Hosur Road, Bangalore – 560099
94. M/s Rasaii Flow Lines, 34, New Street, Maduvankarai, Guindy, Chennai – 600032
95. M/s Siflon Polymers, 76 & 77, Mythri Nagar Phase-I, Miyapur, Hyderabad - 500050, A.P., India
96. M/s Fluorotherm Industry, MCH No 5-9-266 , Rajiv Gandhi Nagar Prashant Nagar, Kukatpally, Hyderabad-500 037
97. M/s Finer Enterprises Pvt. Ltd., No 5/357A, Rajeev Gandhi Salai (Old Mahabalipuram Rd), OkkiyamTettai, Chennai – 600097

98. M/s XomoxSanmar Ltd., 9, Cathedral Road, Chennai – 600086

99. M/s Three G Fluoropolymers Pvt. Ltd., Saregam(Plastic Zone),
Taluka Umbergaon, VAPI, Gujarat-396155

- (xii) M/s MIL Industries Ltd., M/s Rollon Bearings Pvt. Ltd., M/s Siflon Polymers Pvt. Ltd. responded and stated that they have not imported the PUC during the POI, from People's Republic of China.
- (xiii) None of the other importers/users/associations of subject goods in India has filed response to the letter nor filed the same in the form and manner prescribed or made any other submissions.
- (xiv) Exporters, producers and other interested parties who have not responded to the Authority, nor supplied information relevant to this investigation, have been treated as non-cooperating interested parties.
- (xv) The Authority held an oral hearing on 31st January, 2017 to provide an opportunity to the interested parties to present relevant information orally in accordance to Rule 6 (6), which was attended by the domestic industry along with its representatives only. The domestic industry who presented their views orally at the time of oral hearing was advised to file written submissions of the views expressed orally.
- (xvi) Additional information was sought from the petitioner to the extent deemed necessary.
- (xvii) The Authority made available non-confidential version of the evidence presented by the domestic industry alone, in the absence of response from any other interested parties, in the form of a public file kept open for inspection.
- (xviii) Directorate General of Commercial Intelligence and Statistics (DGCI&S) data on details of imports of subject goods for the past three years, including the period of investigation, has been relied upon for computation of the volume & value of imports and injury analysis.
- (xix) Optimum cost of production and cost to make & sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) was worked out so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to Domestic Industry. The NIP has been determined by the Authority in terms of the principles laid down under Annexure III to the Anti-Dumping Rules.
- (xx) The period of investigation for the purpose of the present review is April, 2015 - March, 2016 and the injury analysis has been done for the period 2012-13, 2013-14, 2014-15 and Period of Investigation.
- (xxi) The submissions made by the domestic industry alone, in the absence of any submissions made by other interested parties, during the course of this investigation have been considered by the Authority, wherever found relevant, in this finding.

- (xxii) Verification to the extent deemed necessary was carried out in respect of the information & data submitted by the domestic industry.
- (xxiii) Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. The Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- (xxiv) Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the findings on the basis of the facts available.
- (xxv) The Authority issued a disclosure statement under Rule 16 on 30/5/2017 and provided an opportunity to give comments to the disclosure statement till 12th June, 2017.
- (xxvi) *** represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- (xxvii) The average exchange rate of 1US\$ = Rs 65.91 prevailing during the POI has been adopted by the Authority in this finding.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

Submissions made by the Domestic Industry

8. **The following submissions have been made by the domestic industry with regard to the scope of product under investigation:**
 - a. The product under consideration in the present sunset review investigations is "Polytetrafluoroethylene" also known as "PTFE" in the market parlance (hereinafter also referred to as "PTFE" or "product under consideration" or "PUC" or 'Subject Goods') originating in or exported from China PR and is same as it was in the previous investigations as no significant developments has taken place over the period with regard to PUC.
 - b. PTFE is produced in various grades like molding grade, fine powder, aqueous dispersions compound grades and filled grades. All grades that were included in the scope of the previous investigations 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.

- c. The Polytetrafluoroethylene (PTFE) is classified under subheading no 390461 under Customs Tariff Act and at subheading no. 39046100 in the Indian Trade Classification (ITC) based on Harmonized System. Customs classifications are indicative only and, in no way, binding on the scope of the investigations.
- d. The goods produced by the domestic industry are like article, within the meaning of the Rules, to the imported product in terms of parameters such as physical & technical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification. The consumers are using the two interchangeably.

Submissions made by the other Interested Parties

- 9. None of the exporters/producers from the subject country, importers, consumers, users, associations in India or any other interested party has filed any comment or submissions with regard to product under consideration, and like articles.

Examination by the Authority

- 10. The subject goods fall under Chapter 39 of the Custom Tariff Act under subheading no. 3904.6100. The Customs classification is, however, indicative and not binding on the scope of the investigation and measures.
- 11. The domestic industry has claimed that there is no known difference in petitioner's product and product under consideration exported from the subject country and the two are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. There is no significant difference in the subject goods produced by the petitioner applicant and those exported from the subject country and both are technically and commercially substitutable.
- 12. The Authority notes that the present investigation is a sunset review investigation, and none of the interested parties have contested the meaning and scope of the product under consideration as defined by the Authority, has considered the scope of the product under consideration the same as was considered by the Designated Authority at the time of previous final findings:

Product under Consideration and Like Article

"2. The product under consideration in the present case is "Polytetrafluoroethylene (PTFE) originating in or exported from China PR" (also referred to as subject goods hereinafter). The subject goods are classified under subheading no 390461 under Customs tariff Act and at subheading no. 39046100 in the Indian Trade Classification (ITC) based on Harmonized System. Customs classifications are indicative only and, in no way, binding on

the scope of the investigations. PTFE is produced in various grades like moulding grade, fine powder, aqueous dispersions compound grades and filled grades. All grades are within the scope of the product under consideration. 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.

13. Anti-dumping duties are in force on imports of PTFE on the basis of recommendations earlier made by the Authority. The Authority notes that the petition is for review and continuation of the Anti-Dumping Duty in force and the issue of like article has been already dealt with in the original investigation.
14. The Authority notes from the information available on record that the product produced by the domestic industry is like article to the goods imported from the subject country, and confirms the same in the final finding.

D. SCOPE OF DOMESTIC INDUSTRY AND STANDING

Submissions made by the Domestic Industry

15. **The following submissions have been made by the domestic industry with regard to the scope of domestic industry and standing:**
 - a. The petition has been filed by M/s. Gujarat Fluorochemicals Ltd. The Petitioner is a major producer of the subject goods in India. There is only one more company, Hindustan Fluorocarbons Ltd., which produces the subject goods. However, the production of the subject goods by the petitioner, GFL constitutes ***% in domestic production in the investigation period. Petitioner, thus, constitutes Domestic Industry and satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules and the standing to file the present petition.
 - b. Domestic industry has not imported the subject goods during the POI. Also, the domestic industry is not related (either directly or indirectly) to any exporter of product under consideration in the subject country or importer in India.

Submissions made by the other Interested Parties

16. None of the exporters/producers from the subject country, importers, consumers, users, associations in India or any other interested party has filed any comment or submissions with regard to the scope of the Domestic Industry and Standing

Examination by the Authority

17. Rule 2(b) defines domestic industry as under: -

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

18. The petitioner satisfies the requirement of standing under the Rules and constitutes the domestic industry as the production of the petitioner company constitutes around ***% of Indian production and the petitioner is an eligible domestic industry within the meaning of Rule 2(b). Petitioner not imported the subject goods from the subject country, nor the petitioner is related to an exporter or importer of the subject goods. The Authority, therefore, holds that Gujarat Fluorochemicals Ltd. constitutes domestic industry within the meaning of the Rule 2(b) and Rule 5 of the Rules supra.

E. CONFIDENTIALITY

19. With regard to confidentiality of information, Rule 7 of Anti-dumping Rules provides as follows:

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

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

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

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

20. Information provided by the domestic industry 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 kept it open in public file. Since there was no response from other interested parties.

F. MISCELLANEOUS ISSUES

Submissions made by the domestic industry

21. The following miscellaneous submissions have been made by the domestic industry:
- a. There is a significant decline in the landed price of the subject imports from the subject country in last 4-5 years.
 - b. The anti-dumping duties became effective only after imposition of duties in fixed form in the last sunset review as its need was noted by the Authority.
 - c. The subject goods are continuously entering the Indian market in large volume and at continuous declining prices which shows that the existing anti-dumping duties in place are not sufficient to offset the volume and price injury being caused to the domestic industry.
 - d. The import statement of thread seal tape, which is the semi-finished product of PTFE, is being circumvented as the import statement demonstrates that throughout the injury period with the exception of 2015-16, the landed price of PTFE has remained above the landed price of Thread Seal Tape. Since PTFE cost is included in the Thread Seal Tape, it is impossible for its landed price to be lower than the landed price of PTFE. The domestic industry has earlier filed a circumvention petition also concerning the subject goods however the same has not been initiated or taken up by the Authorities.
 - e. In the case of present subject goods, each and every captive input is valued at its cost of production. Power, Chlorine, Chloroform, AHF, R-22, TFE are all captive inputs produced by the petitioner and these captive inputs have been transferred to next product at cost of production; the NIP is required to be determined after adding 22% return on these captive inputs.
 - f. None of the exporters have responded to the questionnaire issued by the Authority. Exporters should therefore be considered non-cooperative as per

Rule 6(8) and the Authority should proceed according to the best information available.

Submissions by producers/exporters/importers/other interested parties

22. None of the exporters/producers from the subject country, importers, consumers, users, associations in India or any other interested party has filed response and hence, no miscellaneous issues.

Examination by the Authority

23. The Authority notes that the upstream products mentioned by the domestic industry would require a fresh investigation and the same is not within the scope of this investigation. The issue of NIP has been appropriately dealt with under injury determination.

G. NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

Normal Value under the Rules

24. According to Section 9A (1) (c) of the Customs Tariff Act, 1975 'Normal Value' in relation to an article means: -

“comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or

when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-

- (a) comparable representative price of the like article when exported from 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.

Submissions made by the Domestic Industry

25. The domestic industry inter alia submitted as follows:
- a. One of the provisions of Accession protocol has expired on 11th December, 2016. The Designated Authority should proceed with present investigation considering Chinese producers as producers operating in non-market economy conditions due to reasons given below.
 - b. The investigation period considered by the Authority in the present case is April, 2015 to, March 2016 (12 months). The injury investigation period has been considered as the period 2012-13, 2013-14, 2014-15 and POI.
 - c. The purpose of fixation of POI is to consider a period when the existence of dumping causing injury is claimed and established. The date of determination is not relevant to the moot question of dumping causing injury to the domestic industry. Since the factum of dumping causing injury to the domestic industry is established based on investigation period, the conditions prevalent during the investigation period alone should be considered relevant, appropriate and necessary for the purpose.
 - d. The Chinese producers are required to be treated as non-market economy companies for the reason that the costs and prices in China do not reasonably reflect the market forces. Para 8 to Annexure-I specifies the parameters which should be considered for grant of market economy status. This also implies that unless these conditions are not fulfilled/ satisfied, the Chinese costs and prices cannot be adopted.
 - e. The consideration of market economy status is based on parameters prevailing during investigation period. Since the reason for rejection of Chinese costs and prices is distortion in the costs and prices in China due to the factors listed in Para 8 to Annexure-I, petitioner submits that it is the investigation period that is relevant to decide consideration of Chinese producers as market economy companies.
 - f. Since Chinese companies have been denied market economy status for the reasons mentioned in Para 8 of Annexure-I till December, 2016, petitioner submits that the Chinese producers are required to be treated as non-market economy companies till such time the investigation period includes the period specified in Accession Treaty protocol.
 - g. In the context of rule 2(b), it is well established legal position that the imports by a domestic producer or its relationship with an exporter or importer are examined with reference to the investigation period. If POI alone is relevant for

standing purposes, POI alone should be relevant for normal value determination.

- h. Chinese producers are required to be treated as companies operating under non-market economy environment and the Authority may proceed to determine the normal value on the basis of Para 7 of Annexure-I.
- i. Normal value could not be determined on the basis of price or constructed value in a market economy third country for the reason that the relevant information is not publicly available. The petitioner has claimed consideration of normal value on the basis of cost of production in India duly adjusted.
- j. The dumping margin from China is not only significant, but also substantial, thus establishing existence of significant dumping of the product under consideration in India. The import volume of China has remained significant throughout the present injury period, despite anti-dumping duty in force.
- k. Considering the production capacities available with Chinese producers and their high export orientation, dumping would continue and even intensify in the event of cessation of anti-dumping duty
- l. In the absence of any response either from the Chinese exporters or from their Government and any other publicly available information, Normal Value in China has to be determined on the basis of cost of production in India, duly adjusted for profit. The profit is required to consider profits in captive inputs.
- m. Raw material required for production of the product under consideration is captive and therefore, its value should include profit on all captive inputs. A reasonable profit is required to be added in the CNV with regard to production of each of the captive inputs consumed by the Chinese producers which is not mere 5% addition to the captive raw material cost. Since captive raw material itself has been captively produced and there is a long chain of production, reasonable profit is required to be added for each of the captive input consumed.
- n. 5% profit on cost is grossly inadequate for PTFE being a capital intensive product. High rate of return allowed by NPPA in case of products being produced from basic stage further reflects the approach of the Govt. of India to grant higher return in case of backward integrated industry.

Views of the interested parties

- 26. None of the importers, consumers, exporters and other interested parties has filed any comment or submissions with regard to dumping margin.

Examination by the Authority

27. The Authority notes that none of the producers/exporters have responded to the Questionnaire and therefore evaluation of the submissions on Non-Market Economy and the Assessment Protocol of China on Normal Value are trivial. The Authority has therefore evaluated the normal value for all producers/exporters on the basis of Rule 6 (8) i.e. best available information of the AD Rules which reads as *“In a case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the designated authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as it deems fit under such circumstances.”*

Normal value determination for China PR

28. Accordingly the normal value for the subject goods has been constructed considering optimum consumption norms for the major raw materials and utilities, international prices of purchased raw materials, prices of captively produced raw material, including reasonable conversion cost, interest, SGA, and reasonable profit etc.

Determination of Export Price

29. None of the producers/exporters from the subject country have provided any information on export price. Therefore, the Authority has determined the weighted average export price for all producers/exporters of China PR on the basis of the DGCI&S transaction wise data. Accordingly, the weighted average net export price at ex-factory level, in respect of all producers/exporters from China PR has been determined after making due adjustments for CIF (**\$/MT), Ocean Freight (**\$/MT), Insurance **% (**\$/MT), FOB (**\$/MT), Commission **% (**\$/MT), Inland Freight (**\$/MT), Bank Charges **% (**\$/MT), Port Expenses **% (**\$/MT) and VAT **% (**\$/MT) on the basis of best available information made available by the Petitioners as mentioned in the dumping margin table.

Determination of Dumping Margin

30. The export price to India (net of all the adjustments accepted by the Authority) has been compared with the constructed normal value to determine the dumping margin during the POI for all exporters/producers from the subject country as mentioned in the table below:

Particulars	Units	Value
Constructed Normal Value	US\$/MT	***
Export Price (Ex-factory)	US\$/MT	***

Particulars	Units	Value
Margin of Dumping	US\$/MT	***
	%	***
	range of %	40-50

H. Assessment of Injury, Causal Link and Likelihood of Continuation of Injury

i. Methodology for Injury Determination and Examination of Injury and Causal Link

Views of other interested parties

31. None of the importers, consumers, exporters and other interested parties has filed any comments or submissions with regard to injury and causal link.

Submissions made by the domestic industry

32. The following submissions have been made by the domestic industry in this regard:
- (a) The demand for the product under consideration has increased throughout the injury period with a decline in the period of investigation.
 - (b) The imports from the subject country are still continuing, have been quite significant, both in absolute and relative terms, throughout the injury period despite the imposition of the anti-dumping duty and are being reported at dumped prices.
 - (c) The landed price of imports is not only below selling price of the domestic industry but also below cost of sales and non-injurious price of the domestic industry and thus, resulting in positive price undercutting. The same is positive without prevailing anti-dumping duties.
 - (d) The dumped imports are not only depressing but suppressing as well the prices of the domestic industry to a significant degree.
 - (e) Both dumping margin and injury margin in the POI are positive and significant.
 - (f) Performance of the domestic industry has shown improvement in terms of capacity, domestic sale. Whereas the production has increased till 2014-15 and thereafter declined in the POI and the capacity utilization also followed the same trend.
 - (g) Further, the profitability kept fluctuating and the DI has suffered financial losses in the POI. ROCE has followed a trend almost the same as that of profits. Cash profits have also deteriorated during this period.

- (h) Employment with the domestic industry has declined over the injury period. Wages paid has also shown a similar trend.
- (i) Inventories with the domestic industry during the period of investigation have remained the same as the base year.
- (j) Growth of the Domestic Industry has shown deterioration.
- (k) Given the state of affairs of the domestic industry where the product is not performing well because of dumping and when fresh investments have already been made and are not generating adequate returns, further fresh investments cannot be planned.
- (l) The dumping margin from subject country is not only more than de-minimus but also substantial. The impact of dumping on the domestic industry is significant. In fact, dumping is gradually intensifying.
- (m) Injury margin is quite significant. The impact of injury on the domestic industry is significant.
- (n) The various parameters relating to domestic industry collectively and cumulatively establish that the domestic industry has suffered injury.

Examination by the Authority

33. The Authority has addressed various relevant submissions of the Domestic Industry as below:
 - a. The Authority has evaluated injury in the POI and also examined the likelihood of injury on account of imports from the subject country if appropriately.
 - b. Rule 11 of Antidumping Rules read with Annexure-II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, "... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles...." In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.
 - c. Article 3.1 of the WTO Agreement and Annexure-II of the AD Rules provide for an objective examination of both, (a) the volume of dumped imports and the effect of the dumped imports on prices, in the domestic market, for the like products; and (b) the consequent impact of these imports on domestic producers of such products. 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 product 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.

- d. As regards the impact of the dumped imports on the domestic industry Para (iv) of Annexure-II of the Anti-Dumping Rules states as follows.

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

- e. According to Section 9(A)(5) of the Customs Tariff Act, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of order of such extension.
- f. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the rules supra.
- g. The present investigation is a sunset review of anti-dumping duties in force. Rule 23 provides that provisions of Rule 11 shall apply, mutatis mutandis in case of a review as well. The Authority has, therefore, determined injury to the domestic industry considering, mutatis mutandis, the provisions of Rule 11 read with Annexure II. The Authority has examined whether the extent of anti-dumping measure which is sufficient to counteract the dumping which is causing injury.
- h. For the purpose of current injury analysis, the Authority has examined the volume and price effects of dumped imports of the subject goods on the domestic industry and its effect on the prices and profitability to examine the existence of injury and causal links between the dumping and injury, if any. The Authority has examined injury to the domestic industry by considering information relating to Gujarat Fluorochemicals Ltd. Accordingly, the volume and price effect of dumped imports are examined as follows: -

1) Volume Effect of Dumped Imports

a) Assessment of Demand/Apparent Consumption

34. The demand or apparent consumption of the product in India is considered as sum of domestic sales and imports from all sources. Exports made by the Indian Producer have been excluded from this computation. The demand so assessed is given in the table below:

Particulars	Units	2012-13	2013-14	2014-15	POI
Sales of Domestic Industry	MT	***	***	***	***
Sales of Other Indian Producers	MT	***	***	***	***
Imports from Subject country - China PR	MT	897	1,171	1,051	702
Imports from Other Country attracting ADD – Russia	MT	7	104	244	187
Imports from other countries	MT	1,080	976	795	1,057
Total Demand	MT	***	***	***	***

35. The Authority holds that the aforesaid indicates that the demand for the product under consideration has increased throughout the injury period with a slight decline in the period of investigation, but higher than the base year.

b) Import volume & market share

36. 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. Annexure II (ii) of the anti-dumping rules provides that;

“While examining the volume of dumped imports, the said Authority shall consider whether there has been significant increase in the dumped imports either in absolute terms or relative in production or consumption in India”

37. The import volumes of the product under consideration for the injury period, considering the transaction wise data provided by DGCI&S is evaluated as under:

Particulars	Units	2012-13	2013-14	2014-15	POI
Import Volume					
China PR - Subject Country	MT	897	1,171	1,051	702
Other Country attracting ADD – Russia	MT	7	104	244	187
Other Countries	MT	1,080	976	795	1,057
Total import volume	MT	1,983	2,251	2,089	1,945
Market share in import volume					
China PR - Subject Country	%	45.20	52.01	50.31	36.07
Other Country attracting ADD - Russia	%	0.34	4.62	11.66	9.62
Other Countries	%	54.45	43.37	38.03	54.31

Imports from subject countries					
In Relation to Total Imports	%	45.20	52.01	50.31	36.07
In Relation to Indian Consumption	%	***	***	***	***
In Relation to Indian Production	%	***	***	***	***

38. The imports of the product under consideration from subject country increased till 2013-14 and declined thereafter but have however remained significant, both in absolute terms and in relation to Indian production and consumption in India throughout the injury period. The circumstances indicates that there could be significant increase in market share of imports in case of cessation of anti-dumping duty.

c) Market Share in Demand

39. The Authority notes that the market share of the domestic industry in the Indian demand has increased over the injury period from 44.48 % in 2012-13 to 53.86% in POI, with a slight decline in 2013-14. The market share of imports from China has increased till 2013-14 and decreased thereafter but were significant

Particulars	Units	2012-13	2013-14	2014-15	POI
Share of Domestic Industry	%	***	***	***	***
Share of Other Indian Producers	%	***	***	***	***
Share of Subject country - China PR	%	23.28	27.32	22.20	16.25
Share of Other Country attracting ADD - Russia	%	0.18	2.43	5.15	4.34
Share of Other Countries	%	28.05	22.78	16.79	24.47

2) Price Effect of Dumped Imports

40. With regard to the effect of the dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. In this regard, a comparison has been made between the landed value of the product and the average selling price of the domestic industry net of all rebates and taxes, at the same level of trade. The prices of the domestic industry determined at the ex-factory level, are compared with the landed values of dumped imports.

a) Price Undercutting

41. The price undercutting assessed by comparing the the landed price of imports with the domestic selling price of the subject goods in India during the period of investigation, is as under:

Particulars	Unit	2012-13	2013-14	2014-15	POI
Landed value without ADD	Rs./Kg	633.01	517.57	493.72	441.39
Net Selling Price	Rs./Kg	***	***	***	***
Price undercutting without ADD	Rs./Kg	***	***	***	***
	%	***	***	***	***
	% Range	0-10	5-15	5-15	10-20

42. The Authority holds that the landed price of imports without anti-dumping duty is lower than the selling price of the domestic industry throughout the injury period, thus resulting in positive price undercutting. The same also indicates that the dumped imports could continue to result in significant price undercutting if the existing anti-dumping duty expires.

b) Price Suppression and depression

43. The price suppression and price depression effect of the dumped imports has also been examined with reference to the cost of sales, as compared with the net sales realisation and the landed values of the subject goods from the subject country in relation to injury period including POI, as under.

Particulars	Unit	2012-13	2013-14	2013-14	POI
Cost of Sales	Rs/Kg	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>108</i>	<i>104</i>	<i>111</i>
Selling price	Rs/Kg	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>83</i>	<i>80</i>	<i>76</i>
Landed Value	Rs./Kg	633	518	494	441
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>82</i>	<i>78</i>	<i>70</i>

44. The Authority notes that the landed price of imports has continuously declined throughout the injury period. The Selling price of the domestic industry has continuously declined in tandem with the landed value. Therefore, the selling price of the domestic industry remained depressed.

45. The Authority further notes that the imports have led to depressing and suppressing effect on the prices of the domestic industry in the market. The cost of production has though increased over the injury period, the selling prices have been prevented to rise.

3) Examination of Economic Parameters Relating to Domestic Industry

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

a) Production, Capacity, Capacity utilization, Sales

47. Performance of the domestic industry with regard to Production, Capacity, Capacity utilization and Sales is as follows:

Particulars	Unit	2012-13	2013-14	2014-15	POI
Capacity (in term of TFE)	MT	***	***	***	***
Trend	Indexed	100	135	154	206
Production (TFE)	MT	***	***	***	***
Trend	Indexed	100	114	158	149
Capacity Utilization (TFE)	%	***	***	***	***
Trend	Indexed	100	85	102	72
Domestic Sales	MT	***	***	***	***
Trend	Indexed	100	108	148	181

48. From the above, the Authority notes that the capacity of the domestic industry has increased, the production of the domestic industry has increased till 2014-15 but declined thereafter in POI. Also, the capacity utilization of domestic industry has declined significantly in relation to the base year as well as previous year. It is also noted that the domestic sales of the petitioner has increased upto 2014-15.

b) Market Share in Total Indian Demand

49. The Authority notes that the market share of the domestic industry has increased over the injury period with a slight decline in the year 2013-14. The market share of Chinese imports increased till 2013-14 and decreased thereafter but was significant. However, it is pertinent to note that this is the situation when anti-dumping duty is in existence. The Authority notes that the situation may deteriorate in the event of cessation of anti-dumping duty.

Particulars	Units	2012-13	2013-14	2014-15	POI
Share of Domestic Industry	%	***	***	***	***
Share of Other Indian Producers	%	***	***	***	***
Share of Subject country - China PR	%	23.28	27.32	22.20	16.25
Share of Other Country attracting ADD – Russia	%	0.18	2.43	5.15	4.34
Share of Other Countries	%	28.05	22.78	16.79	24.47

c) Profits, return on investment and cash flow

50. Performance of the domestic industry in respect of the above parameters is summarized as follows:

Particulars	Unit	2012-13	2013-14	2014-15	POI
Profit/(Loss)	Rs/Kg	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>7</i>	<i>9</i>	<i>-27</i>
Profit/Loss	Rs.Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>8</i>	<i>14</i>	<i>-49</i>
Cash Profit	Rs.Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>19</i>	<i>26</i>	<i>-21</i>
Return on Capital Employed	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>15</i>	<i>14</i>	<i>-29</i>

51. The Authority notes that the Profitability of the product under consideration has declined significantly during the year 2013-14 and then it increased slightly during 2014-15 but was still below as compared to the base year. Profitability also declined in the POI leading to financial losses. It is also noted that the return on investment and cash profits have followed a trend almost the same as that of profits. ROI and cash profits have also deteriorated during this period and were negative in the POI.

d) Inventories

52. The Authority notes from the table below that the inventories with the domestic industry have increased slightly when compared with the base year.

Particulars	Unit	2012-13	2013-14	2014-15	POI
Average Stock	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	94	102	101

e) Employment, Productivity and Wages

53. The Authority notes from the table below that the employment with the domestic industry has declined over the injury period whereas the wages declined significantly in 2013-14 but increased thereafter. Productivity has increased in POI.

Particulars	Unit	2012-13	2013-14	2014-15	POI
Employment	Nos.	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	83	83	91
Salary & Wages	Rs.Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	33	68	111

f) Growth

54. Information with respect to growth of various parameters is as follows:

Growth	Unit	2012-13	2013-14	2014-15	POI
In Production	%	-	***	***	***
In Domestic Sales Volume	%	-	***	***	***
In Selling price domestic	%	-	***	***	***
In Cost of sales domestic	%	-	***	***	***
In Average stock	%	-	***	***	***

55. The Authority notes that the growth of the domestic industry has deteriorated.

g) Ability to raise capital investments

56. The Authority notes that domestic industry's performance is adversely impacted because of dumping and when fresh investments have already been made and are not generating adequate returns, further fresh investments cannot be envisaged for future.

h) Level of dumping & dumping margin

57. The Authority notes that the dumping margin from subject country is not only above the de-minimus limit but quite substantial.

ii. CAUSAL LINK

58. As per the AD Rules, the Authority is, inter alia, 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 must not be attributed to the dumped imports. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumping prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the domestic industry. It was examined whether these other parameters listed under the Rules could have contributed to injury to the domestic industry.

a) Changes in the pattern of consumption:

59. The pattern of consumption with regard to the product under consideration has not undergone any change. However, petitioner contended that the consumers have started importing the processed product, which has taken away some of the demand for the product in the Country.

b) Trade restrictive practices of and competition between the foreign and domestic producers:

60. There is no trade restrictive practice, which could contribute to the injury to the domestic industry.

c) Developments in technology:

61. Technology for production of the product has not undergone any change, and developments in technology is therefore not a factor of injury.

d) Export performance:

62. The claimed injury to the domestic industry is on account of domestic operations. The petitioner has provided costing and injury information for domestic sales separately which has been appropriately analysed. Hence, injury to domestic industry on domestic sales is segregated separately and is noted that it cannot be attributed to exports.

e) Performance of other products produced and sold by the domestic industry:

63. Information provided in this petition contains information with regard to subject goods only.

Magnitude of Injury and Injury Margin

64. The non-injurious price of the subject goods produced by the domestic industry as determined by the Authority in terms of Annexure III to the AD Rules has been compared with the landed value of the exports from the subject country for determination of injury margin during the POI and the injury margin so worked out is as under:

Particulars	Unit	POI
Non-injurious Price	US\$/MT	***
Landed Value	US\$/MT	6697
Injury margin	US\$/MT	***
Injury margin	%	***
Injury margin	range in %	65-75

65. From the aforesaid, the Authority holds that during the POI, the injury margin in respect of imports of PUC of the subject goods manufactured by all producers/exporters from China is positive.

Material Injury

66. Imports from the subject country have increased and have remained noticeable despite anti-dumping duty, both in absolute terms and in relation to production/consumption in India. The landed price of imports is not only below selling price of the domestic industry but also below cost of sales and non-injurious price of the domestic industry. Imports are undercutting the prices of the domestic industry in the market. The imports are depressing and suppressing the prices of the domestic industry in the market. There is decline in the import prices over the years and resultantly, the performance of the domestic industry declined in terms of profits, return on investments and cash flow as compared to the base year.

Submissions by the domestic industry

67. The domestic industry submitted as under in its claim of likelihood of continuation or recurrence of dumping and injury :
- a. The factors relevant to likelihood of dumping are relevant to the likelihood of injury as well in the present case and the same are relied upon.
 - b. Significant dumping have been established in all the three investigation conducted in respect of the subject goods from the subject country. Dumping Margins determined in previous investigation were significant. And

that in the current investigation period is also substantial. This clearly establishes that the dumping is likely to continue in the event of cessation of anti-dumping duty.

- c. Imports made into the domestic market have been made at dumped prices despite imposition of anti-dumping duty
- d. From last twelve years, the import volume is significant and thus, there is no reason to believe that the volume will decline in the event of cessation of antidumping duty.
- e. The companies in subject country have enhanced the capacity of PTFE production by 61% to a level of about 1 lakh MT and the production by 80%.
- f. Both dumping margin and injury margin in case of exports from China to third countries is negative.
- g. Both dumping margin and injury margin in the current POI are positive and significant in case of subject country.
- h. The price undercutting without prevailing anti-dumping duties is positive.
- i. The Indian market is highly price sensitive. The consumers decide their procurement, with the price being the foremost consideration. Such being the case, availability of such low priced imports from the subject country in the market would definitely cause an adverse impact on the Domestic Industry. This is further established by the long term dumping practice by the subject country.
- j. The import prices are materially below selling price of the domestic industry. The consumers may therefore switch to imported product in the event of cessation of antidumping duty which may lead to increase in imports of the product.
- k. The prices at which subject goods are being imported are substantially lower than the price at which the goods are being sold in the domestic market. Therefore, in case of expiry of duty, exporters would further channelize their output in the Indian market as they are already holding excessive capacities and are in fact selling subject goods to third countries at substantially lower prices.

Submissions made by the exporters, importers and Other Interested Parties

68. None of the producers/exporters/importers/other interested parties has made any submissions in this regard.

Post disclosure comments

The following post disclosure comments by domestic industry have given as under:

- a) There are significant changes made in determining per unit cost of production for establishing NIP and the return @ 22% is required to be added to the cost of production of captive power.
- b) The Authority is requested to take into consideration the cost and the investments of power plant while considering macro economic situation as the company has set up power for self-consumption.
- c) The difference between the accounting practice followed by the company and statutory/regulatory requirements/obligations on the company needs to be considered as it is not open for the company to adopt any other value of wind power in the books of accounts.
- d) To normate the cost of production of captive inputs is not in line with the NIP law and the PUC itself is to be optimized and not its intermediate.
- e) The packaging materials (secondary) falls within the category of expenses and thus should have been taken into consideration while calculating NIP per Para 4(vi) of Annexure III.
- f) The anti-dumping duties are required to be imposed in accordance with the dumping margin and injury margin established in the present investigation
- g) The duty should be imposed in fixed quantum, expressed in US\$/kg.
- h) The duty requires to be imposed in terms of US dollars.

Examination by the Authority

69. The Authority notes that the present investigation is a sunset review of anti-dumping duty imposed on the imports of subject goods from China. Under the Rules, the Authority is required to determine whether continued imposition of antidumping duty is warranted. Further, the Authority notes that in the present investigation, there is continued dumping of the subject goods from China causing continued injury to the domestic industry, which indicates likelihood of dumping and injury from these subject country.
70. The following analysis shows that there is likelihood of continuation of dumping and consequent injury to the domestic industry in the event of cessation of antidumping duties:

i. Dumping Margin determined in previous investigations

71. Considering the dumping margin determined by the Authority in the previous investigations and now assessed, it is quite evident that the exports continue to be made at dumped prices despite AD measures in force and are likely to continue with cessation of anti-dumping duties. Volume of dumped imports has remained significant even after imposition of anti-dumping duties. It is quite likely that the volume of imports may increase in the event of cessation of anti-dumping duties, given the significant price undercutting and underselling during the injury period.

ii. Volume of imports between original period and subsequent periods

72. An analysis of the volume of exports reported in the previous cases as well as in the current period shows that the volume of imports in case of subject country has remained significant despite imposition of anti-dumping duty. The probability that the volume would increase in the event of revocation of antidumping duty, seems high.

iii. Freely disposable present and potential capacities and export tendencies of foreign producers

73. It is noted that the producers of the subject goods in subject country hold significant production capacity which is far more than Indian demand. The Authority notes that the domestic industry has provided evidence that the Chinese producers/exporters in China have enhanced their capacity and production by 61% and 80% respectively during the injury period. The Authority further notes that as per world trade atlas data, the export of subject goods in 2015 and 2016 have been to an extent of about 21000 MT. This establishes that in the event of cessation of duties, exports to India will intensify from the subject country.

iv. Likelihood of Continuation or Recurrence of Dumping and Injury

74. The Authority notes that this is a sunset review investigation and the focus of this investigation is to examine the likely scenario of continued dumping and consequent injury if the anti-dumping duties were to be allowed to expire even if there is no current injury. It is noted that the subject imports are entering into the domestic market at dumped and injurious price, and as well as post POI period.

Particulars	2012-13	2013-14	2014-15	POI	Post POI (April'16 – Sep'16)
Quantity (MT)	897	1171	1051	702	169
Price (Rs./Kg)	582	476	454	406	489

v. Price attractiveness of the Indian market

75. The price, at which the subject goods are being exported by China PR to India, is an indicator of the likelihood of continuation/intensification of dumping. At the current landed price in India, the price undercutting is positive without prevailing

anti-dumping duty. Thus, with the cessation of anti-dumping duty, it would be too attractive for the Chinese producers to intensify their exports to India at dumped prices and there is strong likelihood that Indian consumers would resort to large scale imports of the subject goods from China.

vi. Vulnerability of Domestic Industry in terms of price sensitivity of the product and the Indian market

76. The Indian market for the subject goods is quite price sensitive and consumers decide their procurement, with the price being an important consideration. Availability of low priced imports from the subject country in the market could cause an adverse impact on the Domestic Industry. The continued long term dumping practice by the producers/exporters from the subject country, the facts of the present case, and considering the current dumping and injury and likelihood of dumping and consequential injury, the Authority holds that the dumping and consequential injury to the domestic industry is likely to continue in the event of cessation of anti-dumping duty.

77. The Authority also notes that in the instant case, dumping of the product under consideration has caused injury to the domestic industry. The current import volumes and dumping margin from the subject country, enhances probability that expiry of anti- dumping duty may result in intensified dumping of subject goods from the subject country in the Indian market given the fact that subject country holds capacities beyond domestic demand. It is also noted that present anti-dumping duties are at present acting as a restraint, cessation of which may lead to increased dumped imports of the subject goods from the subject country.

vii. Price undercutting in the absence of measures

78. The Authority notes that the dumped imports from subject country would cause price undercutting in the absence of anti-dumping duty and with the existing antidumping ceasing, there is a likelihood that price undercutting may deepen.

79. The Authority notes the aforesaid submissions made by the Domestic Industry regarding NIP determination and holds that all costs pertaining to product under consideration have been considered in accordance with provisions of Annexure 3 of AD Rules and as per Authority's consistent practice on methodology to deal with such elements. The return is provided on total cost of production in which power cost is included, hence 22 % return on power cost separately cannot be considered. As Domestic Industry has consistently followed transfer price formula in accounts the same has been considered while determining NIP. The contention of Domestic Industry is not tenable. Secondary packing is meant for marketing of the product and not considered to be part of the production cost. However primary packing which is only a part of production cost required for storing the product has been considered.

80. As regards form and quantum of duty, Authority has recommended continuance of the fixed form of duty in \$ terms as existing in the original findings and as per provisions of Lesser Duty Rule.

I. Conclusions

81. Having regard to the contentions raised, information provided and submissions made and facts available before the Authority as recorded in this finding and on the basis of the above analysis of the state of continuation of dumping and consequent injury and likelihood of continuation/recurrence of dumping and injury, the Authority concludes that:

- i. There is continued dumping of the product concerned from China, both in absolute terms and in relation to production/consumption in India causing injury to the domestic industry.
- ii. Imports are significantly undercutting the prices of the domestic industry. The price undercutting without prevailing anti-dumping duties is positive. Further, imports are suppressing and depressing the domestic prices.
- iii. The performance of the Domestic Industry has deteriorated in terms of profits and return on investments.
- iv. The dumped imports from China continue to cause injury to the domestic industry despite imposition of anti-dumping duty.
- v. Producers from subject country have significant capacity which establishes that in the event of cessation of duties, exports to India will intensify.
- vi. Dumping of the product under consideration from China is likely to continue/intensify should the antidumping duty be revoked.

J. Recommendations

82. Having concluded as above, the Authority is of the view that the anti-dumping measures are required to be extended in respect of China as specified in the duty table below. Therefore, Authority considers it necessary to recommend continued imposition of definitive anti-dumping duty on imports of subject goods from China in the form and manner as described in the duty table given below.

83. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of anti-dumping duty equal to the lesser of the margin of dumping and the margin of injury, on the imports of the subject goods, originating in or exported from China so as to remove the injury to the domestic industry. Accordingly, the anti-dumping duty equal to the amount indicated in Col. 9 of the table below is recommended to be imposed by the Central Government on the imports of the subject goods, originating in or exported from China.

DUTY TABLE

S. No.	Sub-heading	Description	Specification	Country of Origin	Country of Export	Producer	Exporter	Amount	Unit	Currency
1	2	3	4	5	6	7	8	9	10	11
1	39046100	Polytetrafluoro-ethylene (PTFE)	Any	People's Republic of China	People's Republic of China	Any	Any	2637	MT	US\$
2	39046100	Polytetrafluoro-ethylene (PTFE)	Any	People's Republic of China	Any other than People's Republic of China	Any	Any	2637	MT	US\$
3	39046100	Polytetrafluoro-ethylene (PTFE)	Any	Any other than Russia or People's Republic of China	People's Republic of China	Any	Any	2637	MT	US\$

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

Dr. Inder Jit Singh
Additional Secretary & Designated Authority