

**F. No. 6/43/2019-DGTR  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Trade Remedies  
4th Floor, Jeevan Tara Building,  
5, Parliament Street, New Delhi -110001**

**Date: 4<sup>th</sup> September, 2020**

**Case No. ADD (O.I.) 34/2019**

**NOTIFICATION**

**PRELIMINARY FINDINGS**

**Subject: Anti-dumping investigation concerning the imports of Toluene Di-Isocyanate from European Union, Saudi Arabia, Chinese Taipei and United Arab Emirates.**

**A. BACKGROUND OF THE CASE**

1. M/s Gujarat Narmada Valley Fertilizers & Chemicals Limited (hereinafter referred to as the “Applicant”) has filed an application before the Designated Authority in accordance with Customs Tariff Act, 1975 (hereinafter also referred to as the “Act”) as amended from time to time and the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter also referred to as the “Anti-Dumping Rules” or “Rules”) for initiation of anti-dumping investigation concerning the imports of Toluene Di-Isocyanate (hereinafter also referred to as the “product under consideration” or “PUC” or the “subject goods”) from European Union, Saudi Arabia, Chinese Taipei and United Arab Emirates (hereinafter also referred to as the “subject countries”).
2. The Authority on the basis of prima facie evidence submitted by the Applicant, issued a public notice vide Notification No. O.I. 34/2019 - DGTR dated 31st January 2020 in the Gazette of India Extraordinary initiating the investigation in accordance with Section 9A of the Act read with Rule 5 of the Rules to determine existence, degree and effect of the alleged dumping of the subject goods originating in or exported from the subject countries and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the Domestic Industry.

**B. PROCEDURE**

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

- a. The Authority notified the Embassies of subject countries/territories in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with sub-rule (5) of Rule 5 supra.
- b. The Authority issued a public notice dated 31st January 2020 published in the Gazette of India Extraordinary, initiating anti-dumping investigation concerning the import of subject goods from the subject countries.
- c. The Authority sent a copy of the initiation notification to the embassies of the subject countries in India, the known producers and exporters from the subject countries, known importers/users and the domestic industry as well as per the available information. The interested parties were advised to provide relevant information in the form and manner prescribed and make their submissions known in writing within the prescribed time-limit.
- d. The Authority also provided a copy of the non-confidential version of the application to the known producers/exporters and to the embassies of the subject countries in India in accordance with Rule 6(3) of the Anti-Dumping Rules.
- e. The embassies of the subject countries in India were also requested to advise the exporters/producers from their countries to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent along with the names and addresses of the known producers/exporters from the subject countries.
- f. The Authority sent exporter's questionnaires to the following known producers/exporters in the subject countries in accordance with Rule 6(4) of the Rules: -
  - i. M/s Sadara Chemical Company.
  - ii. M/s BASF SE.
  - iii. M/s BASF Schwarzheide GmbH.
  - iv. M/s Covestro Deutschland AG, Germany, EU
  - v. M/s BorsodChem Zrt, Hungary, EU
  - vi. M/s Nan Ya Plastics, Chinese Taipei.
  - vii. M/s Polychem Company, Chinese Taipei.
- g. In response to the above notification, following exporters/ producers have submitted exporter questionnaire responses:
  - i. M/s BorsodChem Zrt., Hungary, EU
  - ii. M/s Covestro Deutschland AG, Germany, EU
  - iii. M/s Covestro (Hong Kong) Limited
  - iv. M/s Sadara Chemical Company, Saudi Arabia
  - v. M/s Dow Chemical International Pvt. Ltd. (Dubai Branch).
  - vi. M/s Dow Saudi Arabia Product Marketing B.V., Netherland
  - vii. M/s Dow Chemical Pacific (Singapore) Private Limited, Singapore
- h. The Authority sent questionnaires to the following known importers / users of subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules: -
  - i. M/s Sheela Foam Limited
  - ii. M/s Tirupati Foam Limited
  - iii. M/s Kurlon Limited
  - iv. M/s Springwell Mattresses Private Limited

- v. M/s Sunrise Foam Product Private Limited
  - vi. M/s M H Polymers Private Limited
  - vii. M/s Pyarelal Foam (South) Private Limited
  - viii. M/s Jindal Petro Foam Private Limited
  - ix. M/s Allied Foam Private Limited
  - x. M/s Fancy Foam Private Limited
  - xi. M/s Hindustan Poly Foams Private Limited
  - xii. M/s Shree Malani Foams Private Limited
  - xiii. M/s Prime Comforts Product Private Limited
  - xiv. M/s Aadi Polymers Private Limited.
  - xv. M/s Springfeel Polyurethanes Foams Private Limited
  - xvi. Indian Polyurethane Association.
- i. In response to the above notification, following importers/users have submitted the questionnaire responses:
    - i. M/s Covestro (India) Private Limited
    - ii. M/s Dow Chemical International Private Limited
    - iii. M/s Wanhua International India Private Limited
    - iv. M/s Sheela Foam Limited
  - j. Additionally, The Government of the Kingdom of Saudi Arabia has filed submissions.
  - k. The Authority, upon request made by the interested parties, granted extension to the interested parties. The first extension was granted upto 27th March 2020, and then upto 10th April 2020 and thereafter a final extension upto 21st April 2020.
  - l. The Authority made available non-confidential version of the evidence presented by various interested parties in the form of an e-file through e-mail for the interested parties.
  - m. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide transaction-wise details of imports of subject goods for the past three years, and the period of investigation, which has been received by the Authority. The Authority has relied upon DGCI&S data for computation of the volume of imports and its analysis after due examination of the transactions.
  - n. The Non-Injurious Price (hereinafter referred to as 'NIP') has been determined based on the cost of production and reasonable profits of the subject goods in India, based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Anti-Dumping Rules so as to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
  - o. The information/ data submitted by the Applicant has been verified to the extent deemed necessary and relied upon for the purpose of preliminary findings.
  - p. The period of investigation for the purpose of present investigation is 1st April 2019 to 30th September 2019 (6 months). The injury examination period has however been considered as the period from 2016-17, 2017-18, 2018-19 and the period of investigation.
  - q. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such

information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.

- r. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the present preliminary findings on the basis of the facts available.
- s. The Authority has considered all the arguments raised and information provided by all the interested parties at this stage, to the extent the same are supported with evidence and considered relevant to the present investigation. The Authority will further examine the evidentiary documents submitted by the interested parties subsequent to preliminary findings, which will form the basis for conclusions at the time of final findings.
- t. ‘\*\*\*\*’ in this notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- u. The exchange rate adopted by the Authority for the subject investigation is 1 US \$= Rs. 70.73.

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

4. The product under consideration was defined at the time of initiation of the investigation was: -

*“The product under consideration in the present investigation is “Toluene Di-Isocyanate (TDI) having isomer content in the ratio of 80:20”. Toluene di-isocyanate (TDI) is an organic compound having formula  $CH_3C_6H_3(NCO)_2$ . Two of the six possible isomers are commercially important: 2,4-TDI (CAS: 584-84-9) and 2,6-TDI (CAS: 91-08-7). 2,4-TDI is produced in the pure state, but TDI is often marketed as 80/20 and 65/35 mixtures of the 2,4 and 2,6 isomers respectively. The product under consideration in the present investigation concerns TDI having isomer content in the ratio of (80:20). All other grades are beyond the scope of product under consideration.*

*The product is classified under the Chapter Heading 29 under the code 2929 10 20. The customs classification is only indicative and is not binding on the scope of the product under consideration.”*

### **C.1. Submissions made by the domestic industry**

5. The submissions made by the domestic industry in regard to the product under consideration are as follows: -
- i. The product under consideration is Toluene di-isocyanate or also called TDI which is an organic compound having formulae  $CH_3C_6H_3(NCO)_2$ . The present investigation is restricted to TDI having isomer content in the ratio of 80:20.

- ii. The product under consideration is used in Flexible Polyurethane foam, Mattresses, Pillows & Quilts etc.
- iii. The product is imported under the customs heading 2929 10 20 of the Customs Tariff Act, 1975.
- iv. There is no difference in the product produced by the Applicant and imported from the subject countries.

## **C.2 Submissions made by other interested parties**

6. No submissions have been made by any other interested party with regard to the scope of product under consideration.

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

7. The submissions made by the Domestic Industry with regard to PUC related issues are examined and addressed hereunder.
8. The product under consideration in the present investigation is Toluene Di-Isocyanate (TDI) having isomer content in the ratio of 80:20. The scope of product under consideration in the present investigation is restricted to TDI having isomer content in the ratio of (80:20) and all other grades are beyond the scope of product under consideration. The product under consideration is used in Flexible Polyurethane foam, Mattresses, Pillows & Quilts etc.
9. The Authority has considered the PUC as under:-

*“The product under consideration in the present investigation is “Toluene Di-Isocyanate (TDI) having isomer content in the ratio of 80:20”. Toluene di-isocyanate (TDI) is an organic compound having formula  $CH_3C_6H_3(NCO)_2$ . Two of the six possible isomers are commercially important: 2,4-TDI (CAS: 584-84-9) and 2,6-TDI (CAS: 91-08-7). 2,4-TDI is produced in the pure state, but TDI is often marketed as 80/20 and 65/35 mixtures of the 2,4 and 2,6 isomers respectively. The product under consideration in the present investigation concerns TDI having isomer content in the ratio of (80:20). All other grades are beyond the scope of product under consideration.*

10. The product under consideration is classified under the Chapter Heading 29 under the HS code 2929 10 20. The customs classification is only indicative and is not binding on the scope of the product under consideration.
11. It is seen from the information on record that the subject goods produced by the domestic industry is like article to the product under consideration imported from the subject countries. Subject goods produced by the domestic industry and PUC imported from the subject countries are comparable in terms of physical & chemical properties, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The end product has comparable specifications and is used interchangeably. It is further noted that the imported and the domestically sold products are technically and

commercially substitutable, and the consumers are using the two interchangeably. Thus, the Authority holds that the subject goods produced by the domestic industry are like article to the product under consideration imported from subject countries within the scope and meaning of Rule 2(d) of the Rules.

## **D. SCOPE OF DOMESTIC INDUSTRY & STANDING**

### **D.1. Submissions made by the domestic industry**

12. The domestic industry has made the following submissions with regard to the scope of domestic industry and standing:
  - i. The Applicant is the only producer of the subject goods in India
  - ii. The Applicant has not imported the subject goods from subject countries and is not related to any exporter in the subject countries or importer of subject goods in India.
  - iii. The Applicant satisfies the requirement of Rule 2(b) and Rule 5(3) of the rules.

### **D.2. Submissions made by other interested parties**

13. None of the other interested parties have made any submissions with regard to the domestic industry.

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

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

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

15. It is noted that the application has been filed by M/s Gujarat Narmada Valley Fertilizers & Chemicals Limited. There is no other producer of the subject goods in India. The Applicant has not imported the subject goods from subject countries and is not related to any exporter in the subject countries or importer in India. Accordingly, the Authority determines that the Applicant constitutes domestic industry under Rule 2(b) of the Anti-Dumping Rules and the application meets the requirements of ‘standing’ under Rule 5(3).

## **E. MISCLEANOUS SUBMISSIONS**

### **E.1 Submissions made by the domestic industry**

16. The present petition was filed on 27<sup>th</sup> December 2019. It would be seen that there was no dumping of the product till January 2019. Therefore, the period of investigation could not have started prior to March 2019. As far as the period October - December 2019 is concerned, the same could not have been added for the reason that the petition was filed on 27<sup>th</sup> December, 2019 and the financial results for that period were declared only on 11<sup>th</sup> February, 2020. Thus, the applicant has chosen a right period for the present purposes.
17. The interested parties have assumed that annualised data implies that the applicants have extrapolated the data for the subsequent period. The applicants have not extrapolated any data for subsequent period. On the contrary, applicants have simply considered the data for period of investigation and in order to compare the data with previous periods of different duration, it has been considered appropriate to bring the data of the period of investigation in the same platform before comparison. It is only for the above purpose, the applicants have “annualised” the figures for the period of investigation and then compared the same with the figures of previous years.
18. Wherever data on annualised basis could be different from six months data, the applicant has annualised the data. As regards reference to Article 3 of Anti-Dumping Agreement, the fact that one period is of twelve months duration and other period is of six months duration does not in itself imply that an analysis of the data over the period is inappropriate. While analysing the data, due regard must be given to the fact that the data for two periods are not for same length and the same must be appropriately factored while drawing conclusion on whether the parameter deteriorated or improved.
19. Thus, it only implies that analysis is required to consider the fact of different duration of two periods. The applicant for the sake of convenience has adopted an approach wherein the applicant has annualized the data and then done the comparison. Even if data is not annualised and considered as it is, while comparing it with preceding years, the authority will have to give due regard to the fact that the length of two periods are different and therefore the figures cannot be directly compared.
20. The petitioner has no captive sales in the period of investigation and even earlier it was extremely negligible. Therefore, the information with regard to captive sales quantity, value and realization is inconsequential to the present case.
21. The details of normal value disclosed in the non-confidential version of the petition is sufficient as per DGTR practice. Moreover, the applicant has claimed no expense on R&D account relating to the product under consideration and has not made any purchase of the product under consideration, hence the information has not been provided. It would, thus, be seen that the applicant has provided all such information as is relevant to the present case.
22. The anti-dumping duties which were levied in June 2017 were only interim duties. The definitive duties were imposed in January, 2018. In any case, whether June 2017 or

January 2018 is considered as the relevant date for duty, the argument in the petition remains the same.

## **E.2 Submissions made by other interested parties**

23. The other miscellaneous submissions made by the other interested parties are as follows:
- i. DGTR has not provided any justification for adopting a 6-month period of investigation, which it was required to provide as per the Manual of Operating Practice.
  - ii. In order to examine most of the factors for injury the Applicant has used annualized data for period of investigation without providing any justification.
  - iii. Applicant has switched between "POI" and "POI-A" in examining different factors of injury in the petition which does not provide an objective examination and sufficient basis for analysis as required by Article 3.1(iv) of the agreement.
  - iv. There is inconsistency in comparison of 6 months period of investigation with other periods of 12 months which does not comply with obligation to conduct objective examination.
  - v. Inconsistent method in identification of period of investigation has led to DGTR failing in the examination of accuracy and adequacy of the petition pursuant to Article 5.3 of the agreement.
  - vi. Applicant has provided actual imports for 6 months and estimated volume of imports for 6 months to introduce annualized period of investigation without providing any justification. The Appellate Body in India-Iron and Steel Products (Safeguard) also held the methodology adopted by the Indian authority of annualizing data to make them comparable with those of previous years warrants an explanation.
  - vii. Normal value, captive sales quantity, captive sales value, captive sales realization, R&D expenses, funds raised, purchase quantity of PUC and NIP calculations have not been provided as per Trade notice no. 10/2018 dated 7th September, 2018 and no justification has been provided. This violates the Articles 5.2, 6.2, 6.5.1, and 6.8 of agreement
  - viii. The petitioner has provided inaccurate and misleading information about the levy of ADD on the imports from China PR, Korea RP, and Japan. The duties were levied with effect from 5th June 2017 as against January 2018 stated in the petition.

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

24. Regarding the submission of other interested parties on the selection of period of investigation of 6 months, the Authority notes that the adoption of 6 months as period of investigation is not inconsistent with the Rules. The domestic industry substantiated the need for considering April 2019 to Sept 2019 (6 months) as the period of investigation (POI). The Authority accepted the same, being satisfied with the reasons given by the domestic industry. The Authority considers that 6 months POI in the present case is appropriate as the decline in import prices from subject countries is steep in April-Sept, 19. The petition in the present case was filed on 27th December, 2019 and therefore data for the period after Sept., 2019 was not available at the stage of initiation.

25. The purpose of an antidumping investigation is to examine whether the product has been dumped and whether such dumping has caused material injury to the domestic industry. Thus, the Authority notes that the POI chosen for the case is consistent with the legal position at the time of initiation and the practice being followed by the Authority. It is further noted that the Rules have been amended vide Customs Notification no. 9/2020-customs dated 2nd February 2020 wherein Rule 2(da) and Explanation to Rule 22 have been inserted, incorporating the following provisions:

*“The POI shall: -*

*(i) not be more than six months old as on the date of initiation of investigation.*

*(ii) be for a period of twelve months and for the reasons to be recorded in writing the designated authority may consider a minimum of six months or maximum of eighteen months.”*

26. It is noted that the above amendment has been carried out after the initiation of the present investigation. Nevertheless, the Authority had duly considered the justification provided by the Applicant for selection of April 2019 to Sept 2019 (6 months) as POI, as mentioned above.
27. In regard to the contention that the domestic industry has annualized the data for the purpose of injury examination and has switched between POI and POI–A for examination, it is seen that the data has been annualized to bring it to same level in order to compare it with previous period of 1 year duration. Further, it is seen that the Applicant has annualized the data only in cases where annualized basis could be different from six months data. The methodology followed by the Applicant is in accordance with the practice followed by the Authority.
28. The Authority made available non-confidential version of the information provided by various interested parties to all interested parties through the public file containing non-confidential version of evidence submitted by various interested parties for inspection as per Rule 6(7).
- i. With regard to confidentiality of information, Rule 7 of the Rules provides as follows:
- (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.”*

- ii. As regards the contentions regarding confidentiality of information, it is noted that 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. The Authority made available the non-confidential version of the evidence submitted by various interested parties in the form of public file. The information related to imports, performance parameters and injury parameters of domestic industry has been made available in the public file. Business sensitive information has been kept confidential as per practice.

- 29. It is noted that the preliminary anti-dumping duties were imposed on the imports of subject goods from China PR, Korea RP and Japan on 5th June 2017 and final duties were imposed on 23rd January 2018.

## **F. NORMAL VALUE, EXPORT PRICE AND DETERMINATION OF DUMPING MARGIN**

### **F.1 Submissions made by Domestic industry**

- 30. The submissions made by the domestic industry with regard to normal value, export price and dumping margin are as follows:
  - i. Exports from Germany and Hungary to other EU countries reflect the domestic selling price for the producers in EU and hence can be considered for the purpose of normal value.
  - ii. Dow Chemical International Private Limited is a company affiliated to Sadara Chemical Company, the sole producer of TDI in Saudi Arabia. Therefore, the price at which the company has exported is unreliable due to association of compensatory arrangements. The export price should therefore be constructed considering the price at which the goods have been imported into India and the resale price offered

for sale of the product in India. The dumping margin for all the four countries is positive and significant.

## **F.2 Submissions made by other interested parties**

31. The submissions made by the interested parties with regard to normal value, export price and dumping margin are as follows:
- i. The Applicant has determined normal value by constructing it leading to artificial high value. The approach is inconsistent with Article 5.2 of the agreement.
  - ii. The Applicant could have claimed normal value using Saudi's exports to third countries, like it did in case of European Union.

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

32. Under section 9A (1) (c), normal value in relation to an article means:
- i) *The comparable price, in the ordinary course of trade, for the like article, when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or*
  - ii) *When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either:*
    - a. *comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or*
    - b. *the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6);*

## **F.4 Determination of Normal value and Export Price for Subject countries**

33. The Authority notes that the following producers of the subject goods have filed exporter's questionnaire response: -
- i. M/s BorsodChem Zrt, Hungary, European Union
  - ii. M/s Covestro Deutschland AG, Germany, European Union
  - iii. M/s Sadara Chemical Company, Saudi Arabia.

### **F.4.1 European Union**

#### **M/s. Covestro Deutschland AG**

34. M/s. Covestro Deutschland AG ("Covestro Germany"), is a stock corporation company registered and established under German Company Laws. It is noted from the Exporter's

Questionnaire response that Covestro Germany has sold the subject goods directly to unrelated customers in the domestic market and also through its related parties, namely, Covestro International SA (Switzerland), Covestro S.R.L. (Italy) and Covestro, S.L (Spain). It is also noted that Covestro Germany has exported the subject goods to India through its related trading company, M/s. Covestro (Hong Kong) Limited (“Covestro HK”). Covestro HK has sold the subject goods to unrelated Indian Customers, and also to a related importer, M/s. Covestro India Pvt. Ltd, who has in turn resold the subject goods to unrelated customers in India. Covestro Germany, Covestro International SA (Switzerland), Covestro S.R.L. (Italy), Covestro, S.L (Spain), Covestro HK and Covestro India Pvt. Ltd have provided all the relevant information in the prescribed questionnaire formats.

### **Normal Value**

35. M/s. Covestro Deutschland AG (“Covestro Germany”) has submitted Exporter’s Questionnaire response furnishing details of domestic sales and cost of sales of subject goods during the POI. During the POI, Covestro Germany has sold the subject goods directly to unrelated customers in the domestic market and also through its related parties, namely, Covestro International SA (Switzerland), Covestro S.R.L. (Italy) and Covestro, S.L (Spain). Covestro Germany has provided details of sales made in the domestic market to unrelated customers, details of sales made in the domestic market to related parties and details of resale price of these related parties to independent customers. It is noted from the response that during the POI, Covestro Germany, has sold \*\*\* MT of subject goods having an invoice value of Euros \*\*\* in the domestic market directly to unrelated customers and also to its related parties. The cost of sales claimed by Covestro Germany has been provisionally accepted for the purpose of preliminary findings subject to detailed verification. On the basis of cost of sales claimed, the Authority has carried out ordinary course of trade (“OCT”) test, which indicates that more than 80% of domestic sales made during the POI were profitable. Accordingly, all domestic sales have been considered for determination of normal value.
36. Covestro Germany has claimed adjustments on account of freight, insurance and credit cost. The Authority has provisionally allowed the adjustments as claimed subject to verification, and determined the normal value at ex-factory level. The ex-factory normal value so determined has been mentioned in the dumping margin table below.

### **Export Price**

37. During the POI, Covestro Germany has exported the subject goods to India through a related trader, namely, M/s. Covestro (Hong Kong) Limited (“Covestro HK”). It is noted from the response that during the POI, Covestro Germany has exported \*\*\* MT of subject goods to India having an invoice value of Euros \*\*\* through Covestro HK. Covestro HK has sold the subject goods to unrelated Indian Customers and also to a related importer, M/s. Covestro India Pvt. Ltd, who has in turn resold the subject goods to unrelated customers in India. The Authority has examined the sale price of Covestro HK to independent customers and notes that the sale price of Covestro HK covers all the expenses incurred by Covestro HK. For the exports made to M/s. Covestro India Pvt. Ltd,

the Authority has provisionally examined the export price on the basis of price at which the imported subject goods were first resold to an independent buyer. It is noted from the response filed by the related Indian importer that it has earned sufficient amount of profits on resale of the imported subject goods during the POI.

38. Covestro Germany has claimed adjustments on account of freight, insurance and credit cost and the same have been provisionally allowed by the Authority subject to verification. Accordingly, the ex-factory export price so determined has been mentioned in the dumping margin table below.

### **Borsod Chem Zrt**

39. M/s BorsodChem Zrt, Hungary is a private limited company limited by shares. It is a limited liability company established under Hungarian law. The company has filed Exporter's Questionnaire response. It is noted from the response that M/s BorsodChem Zrt has sold the subject goods directly to unrelated customers in the domestic market and also through its subsidiary M/s Wanhua BorsodChem Italia S.R.L., Italy. It is also noted that M/s BorsodChem Zrt has exported the subject goods to its Indian subsidiary, M/s Wanhua International (India) Pvt Ltd, who has in turn resold the subject goods to unrelated customers in India. M/s BorsodChem Zrt, M/s Wanhua BorsodChem Italia S.R.L., Italy and M/s Wanhua International (India) Pvt Ltd have provided all the relevant information in the prescribed questionnaire formats.

### **Normal Value**

40. M/s Borsod Chem Zrt has submitted Exporter's Questionnaire response furnishing details of domestic sales and cost of sales of subject goods during the POI. During the POI, M/s BorsodChem Zrt, has sold the subject goods directly to unrelated customers in the domestic market and also through its subsidiary, M/s Wanhua BorsodChem Italia S.R.L., Italy. M/s BorsodChem Zrt has provided details of sales made in the domestic market to unrelated customers, details of sales made in the domestic market its related party and details of resale price of the related party to independent customers. The cost of sales claimed by M/s BorsodChem Zrt has been provisionally accepted for the purpose of preliminary findings subject to verification. On the basis of cost of sales claimed, the Authority has carried out ordinary course of trade ("OCT") test, which indicates that more than 80% of domestic sales made during the POI were profitable. Accordingly, all domestic sales have been considered for determination of normal value. It is noted from the response that during the POI, M/s BorsodChem Zrt, has sold \*\*\* MT of subject goods at an average invoice price of Euro \*\*\* per MT in the domestic market directly to unrelated customers and also to its subsidiary M/s Wanhua BorsodChem Italia S.R.L.
41. M/s BorsodChem Zrt has claimed adjustments on account of insurance, inland transportation, credit cost, packing cost and other related expenses. The Authority has provisionally allowed the adjustments as claimed and determined the normal value at ex-factory level. The ex-factory normal value so determined has been mentioned in the dumping margin table below.

## **Export Price**

42. During the POI, M/s BorsodChem Zrt has exported the subject goods to its Indian subsidiary, M/s Wanhua International (India) Pvt Ltd, which has in turn resold the subject goods to unrelated customers in India. M/s BorsodChem Zrt and M/s Wanhua International (India) Pvt Ltd have provided the relevant information in the requisite formats. It is noted from the response that during the POI, M/s BorsodChem Zrt, has exported \*\*\* MT of subject goods at an average invoice price of Euro \*\*\* per MT to its Indian subsidiary, M/s Wanhua International (India) Pvt Ltd.
43. It is noted from the response filed by the related Indian importer that it has earned sufficient amount of profits on resale of the imported subject goods during the POI. M/s BorsodChem Zrt has claimed adjustments on account of ocean freight, inland transportation, port related expenses, and insurance, credit cost and packing expenses and the same have been provisionally allowed by the Authority subject to verification. The ex-factory export price as determined is given in the dumping margin table below.

### **Normal value for all other non-cooperating producers/exporters in EU**

44. The normal values for all other non-cooperating producers and exporters of European Union has been determined as per facts available considering the data provided by the co-operating exporters and the same is mentioned in the dumping margin table below.

### **Export Price for all other non-cooperating producers/exporters in EU**

45. The export price for all other producers and exporters who have not participated in the present investigation has been determined as per facts available considering after allowing due adjustments of expenses and the same has been mentioned in the dumping margin table below.

## **Saudi Arabia**

46. In response to the initiation of the subject investigation, following producers/exporters from Saudi Arabia have responded by filing questionnaire response:-
- a) M/s Sadara Chemical Company, Kingdom of Saudi Arabia (Producer)
  - b) M/s. Dow Saudi Arabia Product Marketing B.V. (Exporter)
  - c) M/s. Dow Chemical Pacific (Singapore) Private Limited (Exporter)
  - d) Dow Chemical International Private Limited, Dubai Branch (Exporter)
47. In addition to the Sadara and Dow trading entities, related importer of subject goods in India namely Dow Chemical International Private Limited ('DCIPL') has also filed the importer's questionnaire response.
48. Accordingly, the Authority has determined the normal value, export price and dumping margin in respect of various producers/exporters of the subject country as follows:-

**Sadara Chemical Company (“Sadara”), Dow Saudi Arabia Product Marketing B.V. (‘Dow Marketing’), Dow Chemical Pacific (Singapore) Private Limited (‘Dow Singapore’), Dow Chemical International Private Limited – Dubai Branch (‘DCIPL-Dubai Branch’)**

49. It is noted Sadara is the producer of subject goods from Saudi Arabia engaged in domestic sales of subject goods as well as exports to India through related entities namely Dow Marketing, Dow Singapore and DCIPL Dubai Branch. Sadara is a limited liability company existing under the laws of the Kingdom of Saudi Arabia having a commercial registration number (\*\*\*). The head office of the company is located at Eastern Province at Jubail, Kingdom of Saudi Arabia.

**Normal value**

50. The subject goods produced by Sadara are first sold to Dow Marketing, and Dow Marketing invoices the subject goods to Dow Singapore and DCIPL Dubai Branch. Dow Singapore is the trader of subject goods and they have sold the subject goods to DCIPL (related entity in India) as well as directly to unrelated entities/importers. DCIPL Dubai Branch has sold the subject goods directly to unrelated Indian importers.
51. Based on the response filed by Sadara, it is noted that their domestic sales are in sufficient quantity in the domestic market. The cost of sales claimed by M/s Sadara has been provisionally accepted for the purpose of preliminary findings subject to verification. On the basis of cost of sales claimed, the Authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to cost of production of subject goods. Upon examination, the Authority noted that all sales of subject goods in domestic markets during the POI are at loss. Therefore, the Authority constructed the normal value based on cost of production, SGA and profit, and the same is mentioned in the dumping margin table below.

**Export Price**

52. It is noted from exports to India, M/s Sadara sells the entire quantity of the subject goods to Dow Marketing. For exports to India, Dow Marketing raises invoice on Dow Singapore for resale to unrelated and related Indian importers. Similarly, Dow Marketing has sold subject goods to unrelated importers through DCIPL Dubai Branch. On an overall basis, \*\*\* MT of subject goods is sold to unrelated importers and \*\*\* MT of the subject goods is exported to DCIPL (related importer). All these related parties have also filed questionnaire responses.
53. During the POI, Dow Singapore has sold \*\*\* MT of subject goods to DCIPL (Indian importer) and \*\*\* MT of subject goods to unrelated importer. DCIPL Dubai Branch has sold \*\*\* MT of subject goods to unrelated Indian importers.
54. It is noted from the response filed by above mentioned subsidiaries that together, they have incurred a loss during the sale of the subject goods imported from their parent

company i.e. M/s Sadara through different trading channels as mentioned above. As their sales price of subject goods are lower than their purchase price which includes import prices and SGA of the subsidiaries, suitable adjustment has been made from their landed price and net export price. Further for arriving at the ex-factory export price, the Authority has considered adjustments on account of freight, credit cost and other post factory expenses from the invoice price of the producer (Sadara). Accordingly, the ex-factory export price is calculated and mentioned in the dumping margin table below.

**Normal value for all other non-cooperating producers/exporters in Saudi Arabia**

55. The normal value for all other non-cooperating producer of Saudi Arabia has been determined as per facts available considering the data provided by the co-operating producer and the same is mentioned in the dumping margin table below.

**Export Price for all other non-cooperating producers/exporters in Saudi Arabia**

56. The export price for all other producers and exporters who have not participated in the present investigation has been determined as per facts available considering after allowing due adjustments of expenses and the same has been mentioned in the dumping margin table below.

**Chinese Taipei**

**Normal value for all producers/exporters in Chinese Taipei**

57. None of the producers/exporters from Chinese Taipei have responded, therefore, normal value has been determined based on the facts available in terms of Rule 6(8) of the AD Rules. In view of absence of publicly available information with regard to selling price of the product in the domestic market in Chinese Taipei, normal value in respect for Chinese Taipei producers has been provisionally determined by constructing cost of production for the Chinese Taipei producers, as per best estimates, duly adjusted with regard to SGA and profit. Based on this, the dumping margin is indicated in the dumping margin table below.

**Export Price for all other non-cooperating producers/exporters in Chinese Taipei**

58. The export price for all producers and exporters has been determined as per facts available after allowing due adjustments of expenses and the same has been mentioned in the dumping margin table below.

**UAE**

**Normal value for all producers/exporters in UAE**

59. None of the producers/exporters from UAE have responded, therefore, normal value has been determined based on the facts available in terms of Rule 6(8) of the AD Rules.. In view of absence of publicly available information with regard to selling price of the product in the domestic market in UAE, normal value in respect of UAE producers has

been provisionally determined by constructing cost of production for the UAE producers, as per best estimates, duly adjusted with regard to SGA and profit. Based on this, the dumping margin is indicated in the dumping margin table below.

#### **Export Price for all other non-cooperating producers/exporters in UAE**

60. The export price for all producers and exporters has been determined as per facts available after allowing due adjustments of expenses and the same has been mentioned in the dumping margin table below.

#### **F.6 Dumping margin**

61. Considering the normal value and export price for subject goods, the dumping margins for the subject goods from subject countries have been provisionally determined as follows:

#### **Dumping Margin**

SN	Producer	Normal value	Export Price	Dumping Margin	Dumping Margin	Dumping Margin
		(USD/MT)	(USD/MT)	(USD/MT)	%	Range
<b>A</b>	<b>European Union</b>					
1	BorsodChem Zrt	***	***	***	***	<b>0-10</b>
2	Covestro Deutschland AG	***	***	***	***	<b>10-20</b>
3	Any other producer	***	***	***	***	<b>20-30</b>
<b>B</b>	<b>Saudi Arabia</b>					
1	Sadara Chemical Company	***	***	***	***	<b>10-20</b>
2	Any other producer	***	***	***	***	<b>20-30</b>
<b>C</b>	<b>Chinese Taipei</b>					
1	All producers/exporters	***	***	***	***	<b>10-20</b>
<b>D</b>	<b>United Arab Emirates</b>					
1	All producers/exporters	***	***	***	***	<b>20-30</b>

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

##### **G.1 Submissions made by the Domestic Industry**

62. Following submissions have been made by the domestic industry with regard to injury and causal link:
- i. Since the conditions of Annexure II (iii) are satisfied, the Authority may consider undertaking cumulative assessment of the imports from the subject countries.
  - ii. The imports from subject countries have increased in absolute terms as well as in relation to gross imports, production and consumption over the injury period.

- iii. The prices of imports from subject countries have declined steeply in the period of investigation.
- iv. The subject imports are undercutting the prices of the domestic industry. The price undercutting in case of Saudi Arabia should be determined after considering the price adjustment, as the related Indian importer has imported from related Saudi exporter at high price and has suffered financial losses while selling to the unrelated independent buyer.
- v. The fall in prices of subject goods have led to fall in prices of domestic industry. Thus, the imports are depressing the prices of domestic industry.
- vi. The production of the domestic industry has increased over the injury period however, there are significant idle capacities with the domestic industry.
- vii. While the production has increased, the domestic industry has been forced to export as the domestic sales have reduced.
- viii. The profitability of the domestic industry has been severely impacted. The industry made significant profits in 2017-18 and thereafter the profits have significantly reduced to an extent that the domestic industry is now suffering losses in the period of investigation.
- ix. The cash profits and the return on capital employed of the domestic industry have turned negative in the period of investigation.
- x. The market share of the domestic industry is still below the level which it could have achieved. Dumping from subject countries has prevented it from increasing its market share.
- xi. The average inventory with the domestic industry has increased significantly in the period of investigation.
- xii. The imports from subject countries have increased by more than 300 times over the injury period.
- xiii. There are significant capacities in the subject countries.
- xiv. The imports from the subject countries have a depressing effect on the domestic prices and would likely to increase demand for more imports.
- xv. The fall in the prices of subject imports is higher than the fall in prices of Toluene.
- xvi. The sales volumes of the domestic industry increased between 2016-17 and 2018-19 with imposition of anti-dumping duty. Sales volumes of the domestic industry however fell once again in the period of investigation because of dumping in the country. In a situation where inventories with the domestic industry are rising and sales volumes are falling, a possible fact that export volumes of the petitioner have declined is of little consequence. In any case, export volume of the petitioner has increased over the period. In fact, in period of investigation as compared to preceding year, whereas export volumes increased by 70%, the domestic sales fell by 7%. Since exports of the domestic industry have increased, it is factually without any basis to contend that increase in inventory is attributed to fall in exports.
- xvii. The fact that the Authority has in none of its previous findings on the subject goods allowed adjustment owing to time lag, does not imply that there is no merit in the argument raised by the domestic industry. As far as the disadvantageous position of importer is concerned, it is for the importer to contend and not for the exporter to argue. At the same time, it is indicative of possible fact that imported product has been sold at a loss. If so, the petitioner requests the authority to kindly adopt

constructed export price for the purpose of determining dumping margin and injury margin in the present case. The price at which material has been sold becomes unreliable because of the fact that the related importer has resold the product at a loss. These prices are no longer in the ordinary course of trade.

## **G.2 Submissions made by other interested parties**

63. The submissions made by the interested parties with regard to injury are as follows:
- i. The Format IV-I shows a very slight decrease in the imports from countries attracting duty in the year 2017-18 as compared to 2016-17. Therefore, the claim of domestic industry that it could not increase its sales because of subject country imports during 2017-18 is not found correct.
  - ii. Despite the anti-dumping duties imposed which lead to increase in the prices, the domestic industry's sales could not substantially increase to replace the market share of those imports.
  - iii. The single producer in Saudi Arabia started production in 2017 and hence the quantities from Saudi will increase year by year and therefore comparison of imports with year 2016-17 or 2017-18 is not proper.
  - iv. The import prices into India have fallen from all the sources and not only from the subject countries. The petitioner should have adjusted its prices to the fall in prices globally as done by all the countries. Further, prices of imports from other countries is lower than prices of imports from Saudi Arabia.
  - v. Contrary to the claimed price suppression, the prices of the subject goods reduced drastically around the globe which is the underlying cause of injury.
  - vi. The petitioner was making huge profits in the year 2017-18 when the prices of subject goods were highest globally and as the prices decreased globally, the petitioner made losses. This also shows absence of causal link between petitioner's losses and prices of targeted countries.
  - vii. The Authority in none of its previous findings on subject goods allowed adjustment owing to time lag. Further, the time lag puts the importer in disadvantageous position when the applicants has reduced prices due to reduction in cost.
  - viii. As against the claims of the petitioner, the production and sales have shown an increase whereas the exports have reduced by 12%. The increase in inventory by 544% is also attributable to fall in exports and not due to increasing imports
  - ix. The petitioner's losses are attributable to the global prices of subject goods and Toluene as the petitioner had insufficient reaction to the change.
  - x. The production and capacity utilization have shown an improvement. There is no justification to demonstrate "sufficient unutilized capacities".
  - xi. The petitioner had the largest market share which has increased through-out the period. The share is more than double to that of subject country imports.
  - xii. The other known factors that may have caused injury to the domestic industry such as the global subject goods market behavior, global prices decline of subject goods, imports from sources other than subject countries., Applicant's behavior and reaction in response to subject goods global developments and effect of Indian law on employment, wages, and productivity

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

64. The Authority has taken note of various submissions made by the interested parties including domestic industry and has analyzed the same considering the facts available on record and applicable laws. The injury analysis made by the Authority hereunder ipso facto addresses the various submissions made by the interested parties.

#### **Cumulative assessment**

65. Article 3 of WTO agreement and Annexure II of the Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigations, the Authority will cumulatively assess the effect of such imports, only when it determines that:
- a. The margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent (or more) of the import of like article or where the export of individual countries is less than three percent, the imports collectively account for more than seven percent of the import of like article, and
  - b. Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.
66. The Authority notes that:
- a. The subject goods are being dumped into India from the subject countries. The margins of dumping from each of the subject countries are more than the de minimis limits prescribed under the Rules.
  - b. The volume of imports from each of the subject countries is individually more than 3% of the total volume of imports.
  - c. Cumulative assessment of the effects of import is appropriate as the exports from the subject countries not only directly compete with the like articles offered by each of them but also the like articles offered by the domestic industry in the Indian market.
67. In view of the above, the Authority considers it appropriate to cumulatively assess the effects of dumped imports of the subject goods from European Union, Saudi Arabia, Chinese Taipei and United Arab Emirates on the domestic industry.
68. Rule 11 of the 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 essential 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 the prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as sales, profits, output, market share, productivity, return on investments, utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; cash flow, inventories, employment, wages, growth, ability to raise capital investments etc. have been considered in accordance with Annexure II of the Rules.

#### **G.4.1. Volume Effect of Dumped Imports on Domestic Industry**

##### **a. Assessment of Demand / Apparent Consumption**

69. For the purpose of the present investigation, demand or apparent consumption of the product in India has been defined as the sum of domestic sales of the applicant being the single producer in India and imports from all sources. The demand so assessed is given in the table below:

SN	Particulars	Unit	2016-17	2017-18	2018-19	POI	
						Actual	Annualised
1	Sales of Domestic Industry	MT	***	***	***	***	***
2	Subject countries-Imports	MT	49	1,190	7,235	8,248	16,496
3	Countries attracting ADD-Imports	MT	32,568	30,484	24,038	6,861	13,722
4	Other countries-Imports	MT	288	1,473	1,346	333	665
5	<b>Total demand/Consumption</b>	<b>MT</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

70. It is seen that the demand for the product under consideration has increased consistently over the first three years of the injury period with a marginal decline in the period of investigation, as compared to the immediately preceding period. On the whole, the demand has increased during the injury period.

71. The domestic sales of the applicant have increased consistently over the first three years of the injury period with a marginal decline in the period of investigation, as compared to the immediately preceding period, whereas imports from subject countries have increased significantly over the injury period.

##### **b. Import Volumes from the subject countries**

72. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or relative to production or consumption in India. The same is analyzed as follows:

SN	Particulars	Unit	2016-17	2017-18	2018-19	POI	
						Actual	Annualised
1	Imports from subject Countries	MT	49	1,190	7,235	8,248	16,496
a	Saudi Arabia	MT	-	240	2,660	2,348	4,696
b	UAE	MT	9	860	3,168	2,460	4,920
c	European Union	MT	-	90	685	1,680	3,360
d	Chinese Taipei	MT	40	-	722	1,760	3,520
2	Imports from countries attracting ADD	MT	32,568	30,484	24,038	6,861	13,722
3	Import from Other Countries	MT	288	1,473	1,346	333	665
4	<b>Total imports</b>	<b>MT</b>	<b>32,905</b>	<b>33,147</b>	<b>32,619</b>	<b>15,442</b>	<b>30,883</b>
<b>Subject countries' import in relation to</b>							
5	Total imports	%	0.15%	3.59%	22.18%	53.41%	53.41%
6	Production	%	0.10%	2.00%	11.82%	22.32%	22.32%
7	Demand	%	0.08%	1.77%	9.84%	23.90%	23.90%

73. It is seen that: -

- i. The volume of imports from subject countries have increased consistently and significantly in absolute term over the injury period and more sharply in the period of investigation as compared to the increases in previous years.
- ii. The imports from subject countries have increased consistently and significantly over the injury period in relation to total imports in India, demand in India and production in India.

#### **G.5.2 Price Effect of the Dumped Imports on the Domestic Industry**

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

##### **a. Price Undercutting**

75. For the purpose of price undercutting analysis, the net sales realization of the Domestic Industry has been compared with the landed value of imports from each of the subject

countries. Accordingly, the undercutting effects of the dumped imports from the subject countries work out as follows:

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annualised
Net Sales Realisation	₹/MT	***	***	***	***	***
Trend	Indexed	100	142	105	67	67
<b>Subject Countries as a Whole</b>						
Landed Price	₹/MT	1,75,853	2,59,934	2,30,132	1,33,871	1,33,871
Trend	Indexed	100	148	131	76	76
Price undercutting	₹/MT	***	***	***	***	***
Trend	Indexed	100	87	(118)	(8)	(8)
Price undercutting	%	***	***	***	***	***
Price undercutting	Range	10-20%	0-10%	(5-15)%	(0-10)%	(0-10)%
<b>Saudi Arabia</b>						
Landed Price	₹/MT	-	2,94,889	2,28,515	1,54,893	1,54,893
Trend	Indexed	-	100	77	53	53
Price undercutting	₹/MT	-	***	***	***	***
Trend	Indexed	-	100	131	132	132
Price undercutting	%	-	***	***	***	***
Price undercutting	Range	-	(0-10)%	(5-15)%	(10-20)%	(10-20)%
<b>UAE</b>						
Landed Price	₹/MT	2,15,495	2,54,276	2,33,833	1,28,473	1,28,473
Trend	Indexed	100	118	109	60	60
Price undercutting	₹/MT	***	***	***	***	***
Trend	Indexed	100	(122)	145	(20)	(20)
Price undercutting	%	***	***	***	***	***
Price undercutting	Range	(0-10)%	0-10%	(5-15)%	0-10%	0-10%
<b>European Union</b>						
Landed Price	₹/MT	0	2,20,780	2,50,611	1,11,096	1,11,096
Trend	Indexed	-	100	114	50	50
Price undercutting	₹/MT	-	***	***	***	***
Trend	Indexed	-	100	(78)	37	37
Price undercutting	%	-	***	***	***	***
Price undercutting	Range	-	20-30%	(10-20)%	15-25%	15-25%
<b>Chinese Taipei</b>						
Landed Price	₹/MT	1,66,934	-	2,00,408	1,35,108	1,35,108
Trend	Indexed	100	-	120	81	81
Price undercutting	₹/MT	***	***	***	***	***
Trend	Indexed	100	-	19	(10)	(10)
Price undercutting	%	***	***	***	***	***
Price undercutting	Range	15-25%		0-10%	(0-10)%	(0-10)%

76. The imports from the subject countries have increased sharply in the period of investigation with a steep fall in the prices. Consequently, the domestic industry has been

forced to reduce its prices with the decline in landed price. While the price undercutting is marginally negative during the POI on an average basis, it is seen that there is a steep decline in the prices. The domestic industry further contended that in case of Saudi Arabia, being a purchase by an affiliated party in India, the import prices are unduly high and therefore, the price for the Saudi producer/ exporter should be constructed. The issue has been examined. The Authority further notes that the price undercutting is negative from Saudi Arabia due to the fact that exporters from Saudi Arabia export the subject goods to India at a high price and their related party resells the subject goods at a loss to the independent buyer in India. Therefore, the import price recorded in DGCI&S import data is not showcasing the actual prevailing price of Saudi Arabia exporters in the Indian market.

**b. Price Suppression and Depression**

77. In order to determine whether the dumped imports are depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred in normal course, the changes in the costs and prices over the injury period, were compared as below:

SN	Particulars	Unit	2016-17	2017-18	2018-19	POI	
						Actual	Annualized
1	Cost of Sales	₹/MT	***	***	***	***	***
	Trend	Indexed	100	87	101	89	89
2	Selling price	₹/MT	***	***	***	***	***
	Trend	Indexed	100	142	105	67	67
3	Landed Value of subject countries as a whole	₹/MT	1,75,853	2,59,934	2,30,132	1,33,871	1,33,871
	Trend	Indexed	100	148	131	76	76

78. It is seen that while the landed price of imports from subject countries has been above the cost of sales in the period prior to the period of investigation, it has fallen below the cost of sales in the period of investigation. Further, both the cost of sales and the selling price of the domestic industry have declined during the POI as compared to 2016-17. However, the decline in domestic selling price is more than the decrease in cost of sales as the domestic industry has been forced to reduce prices due to a larger reduction in landed price of imports than the reduction in the selling price of the domestic industry. The imports of the product under consideration were thus depressing the prices of the domestic industry in the domestic market.

**c. Price Underselling**

79. The non-injurious price (NIP) of the product under consideration the Domestic Industry, as determined by adopting the information/data relating to the cost of production for the period of investigation and based on the principles mentioned in Annexure III of the Rules, has been compared with the landed value of the subject goods from subject

countries to arrive at the extent of Price Underselling. The analysis shows that during the period of investigation, the landed value of subject imports was below the non-injurious price of the Domestic Industry, as can be seen from the table below, demonstrating positive Price Underselling effect:

SN	Particulars	UOM	Saudi Arabia	UAE	EU	Chinese Taipei
1	Non Injurious Price	₹/MT	***	***	***	***
2	Landed Price	₹/MT	1,54,893	1,28,473	1,11,096	1,35,108
3	Price Underselling	₹/MT	***	***	***	***
4	Price Underselling	%	***	***	***	***
5	Price Underselling	Range	0-10%	30-40%	50-60%	20-30%

### G.6.3. Economic Parameters of the Domestic Industry

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

#### a. Production, Capacity, Capacity utilization and Sale

81. Capacity, production, sales and capacity utilization of the Domestic Industry over the injury period is given in the table below: -

SN	Particulars	Unit	2016-17	2017-18	2018-19	POI	
						Actual	Annualised
1	Capacity	MT	***	***	***	***	***
	<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
2	Production	MT	***	***	***	***	***
	<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>127</i>	<i>131</i>	<i>158</i>	<i>158</i>
3	Capacity Utilization	%	***	***	***	***	***
	<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>127</i>	<i>131</i>	<i>158</i>	<i>158</i>
4	Domestic Sales	MT	***	***	***	***	***
	<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>128</i>	<i>153</i>	<i>142</i>	<i>142</i>
5	Export Sales	MT	***	***	***	***	***
	<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>112</i>	<i>88</i>	<i>75</i>	<i>149</i>

82. It is seen that-

- a. The capacity of the domestic industry has remained constant over the injury period and is more than the demand in India.
- b. The production and capacity utilization increased over the injury period. However, the domestic industry is still left with idle capacity despite having a demand in India.
- c. The domestic sales of the industry increased up to 2018-19 but have marginally declined in the period of investigation.

**b. Market Share**

83. Market share of the domestic industry over the injury period is shown in table below:

SN	Particulars	Unit	2016-17	2017-18	2018-19	POI	
						Actual	Annualised
1	Domestic Industry	%	44.85%	50.81%	55.65%	55.25%	55.25%
	<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>113</i>	<i>124</i>	<i>123</i>	<i>123</i>
2	Subject countries-Imports	%	0.08%	1.76%	9.83%	23.89%	23.89%
	<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>2150</i>	<i>11978</i>	<i>29105</i>	<i>29105</i>
3	Countries attracting ADD-Imports	%	54.57%	45.23%	32.67%	19.88%	19.88%
	<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>83</i>	<i>60</i>	<i>36</i>	<i>36</i>
4	Other countries-Imports	%	0.48%	2.18%	1.82%	0.96%	0.96%
	<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>454</i>	<i>380</i>	<i>200</i>	<i>200</i>

84. It is seen that the anti-dumping duties were levied against the imports from China PR, Japan and Korea RP in 2017 as a result of which the market share of the domestic industry increased till 2018-19. With the increasing imports from the subject countries, the market share of domestic industry has marginally declined in the POI. On the other hand, the share of subject countries in demand increased significantly during the injury period from 0% in 2016-17 to 24% during the POI.

**c. Profitability, return on investment and cash profits**

85. Profitability, return on investment and cash profits of the Domestic Industry over the injury period is given in the table below:

SN	Particulars	Unit	2016-17	2017-18	2018-19	POI	
						Actual	Annualised
1	Cost of sales	₹/MT	***	***	***	***	***
	<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>87</i>	<i>101</i>	<i>89</i>	<i>89</i>
2	Selling price	₹/MT	***	***	***	***	***
	<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>142</i>	<i>105</i>	<i>67</i>	<i>67</i>
3	Profit/(Loss) before tax	₹/MT	***	***	***	***	***
	<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>371</i>	<i>121</i>	<i>(24)</i>	<i>(24)</i>
4	Profit/(Loss) before tax	Rs Lacs	***	***	***	***	***

SN	Particulars	Unit	2016-17	2017-18	2018-19	POI	
						Actual	Annualised
	Trend	Indexed	100	474	185	(34)	(34)
5	Cash Profit	Rs Lacs	***	***	***	***	***
	Trend	Indexed	100	420	184	(7)	(7)
6	Profit before interest	Rs Lacs	***	***	***	***	***
	Trend	Indexed	100	323	119	(22)	(22)
7	Return on capital employed	%	***	***	***	***	***
	Trend	Indexed	100	278	87	(20)	(20)

86. It is seen that-

- a. The profit per unit of the domestic industry increased in the year 2017-18 with the imposition of the anti-dumping duties against the imports of other countries.
- b. The subsequent year 2018-19 saw a sharp fall in the profits of the domestic industry as the prices of the domestic industry fell sharply due to the sharp increase in imports from the subject countries at lower prices. The domestic industry faced a sharp fall in prices, in spite of increase in the cost. Resultantly, the cash profits and the return on investment declined.
- c. In the period of investigation, the landed price of the imports from subject countries has fallen below the cost of sales the domestic industry. As a result, the domestic industry has been forced to sell at a price which could not even cover its cost. Resultantly, the domestic industry has suffered financial losses. Consequently, the domestic industry has recorded cash losses and a negative return on investment.

**d. Employment, Wages and Productivity**

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

SN	Particulars	Unit	2016-17	2017-18	2018-19	POI	
						Actual	Annualised
1	No of Employees	Nos	***	***	***	***	***
	Trend	Indexed	100	98	102	101	101
2	Wages	Rs Lacs	***	***	***	***	***
	Trend	Indexed	100	114	159	155	155
3	Wages per unit	₹/MT	***	***	***	***	***
	Trend	Indexed	100	90	121	98	98
4	Productivity	MT/day	***	***	***	***	***
	Trend	Indexed	100	127	131	158	158

88. It is seen that number of employees and salary & wages of the domestic industry have increased over the injury period with marginal decline in POI as compared to the immediately preceding period. The productivity per day has also improved during POI.

**e. Inventories**

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

SN	Particulars	Unit	2016-17	2017-18	2018-19	POI	
						Actual	Annualised
1	Opening Stock	MT	***	***	***	***	***
2	Closing Stock	MT	***	***	***	***	***
3	Average Inventory	MT	***	***	***	***	***
	Trend	Indexed	100	110	309	544	544

90. It is seen that the average inventories with the domestic industry have increased significantly over the injury period. The production of the domestic industry increased; but it has not been able to sell in the market.

**f. Growth**

91. The growth in terms of production, capacity utilization, domestic sales volume, inventories, profits, cash profits and return on investment is as per below table:

SN	Particulars	Unit	2017-18	2018-19	POI	
					Actual	Annualized
1	Production	Y/Y	27%	3%	21%	21%
2	Capacity Utilization	Y/Y	27%	3%	21%	21%
3	Domestic Sales Volume	Y/Y	28%	20%	-7%	-7%
4	Profit/(Loss) per unit	Y/Y	271%	-67%	-120%	-120%
5	Average Inventory	Y/Y	10%	181%	76%	76%
6	Market Share	Y/Y	13%	10%	-1%	-1%
7	Profit/(Loss) before tax	Y/Y	374%	-61%	-118%	-118%
8	Cash Profit	Y/Y	320%	-56%	-104%	-104%
9	PBIT	Y/Y	223%	-63%	-118%	-118%
10	ROI	Y/Y	178%	-69%	-123%	-123%

92. It is seen that the growth of the domestic industry in terms of production and capacity utilization was positive whereas growth in domestic sales volume, market share, inventories, profits, cash profits and return on investment was adverse and/or negative in the POI.

**g. Ability to Raise Capital Investment**

93. The domestic industry is suffering financial losses in the period of investigation. With the competition being faced by the domestic industry because of the dumped imports, the operations of the industry have been impacted which has affected the ability to raise capital investment. However, it is seen that the domestic industry is a multi-product

company and therefore ability to raise capital investment is not governed based on the performance of the concerned product alone.

**h. Factors affecting domestic prices**

94. The import prices are directly affecting the prices of the domestic industry in the domestic market. It is noted that the landed prices of the subject goods from subject countries are below non-injurious price of the domestic industry. Further the landed prices of subject imports have depressed the prices of the domestic industry leading to financial losses to it. The imports of subject goods from third countries not attracting ADD are negligible in volumes and not injuring to the domestic industry. Demand for the product under consideration is sufficient in the country and the domestic industry has enough capacity to meet the demand in the country and cannot be the reason of caused injury to the domestic industry. In view thereof, it can be provisionally concluded that the principal factor impacting the domestic prices is the dumped imports of subject goods from the subject countries.
95. With regard to the claim that there is only a very slight decline in the imports from other countries and no substantial increase in the domestic sales after the duties were imposed, it is noted that the purpose of the anti-dumping duty is not to restrict the entry of imports but to correct the unfair practice of dumping and bring the prices to a fair level. However, it is seen that the imports from the countries attracting ADD have declined sharply in absolute terms as well as in relation to production and consumption after the imposition of ADD. Further, it is also noted that the sales volume of the domestic industry had in fact increased post the imposition in 2017 of the duties against China, Korea RP and Japan and have declined only in the period of investigation with the increase in imports from subject countries.
96. It has been claimed that the imports from Saudi Arabia have increased as the producer started production in 2017. It is noted that the imports from Saudi Arabia are above the de-minimis limits in POI as prescribed under para (iii) of Annexure II of the Rules. Therefore, the effect of the imports is to be cumulatively assessed by the Authority.
97. It is further seen that the landed price of imports from the subject countries is much below the landed price of imports from other countries after adding the imposed ADD, wherever applicable. Therefore, the contention raised by the interested parties that the import prices into India have reduced from all the sources and not only from subject countries is factually incorrect. Further as regards the prices of Saudi Arabia alone is concerned, the landed prices of Saudi Arabia are lower than the prices of other countries attracting ADD if the high prices through affiliated entities of Saudi Arabia and India are adjusted adequately.
98. With regard to the claim of the interested parties that the domestic industry was earlier making profits and is now suffering losses shows absence of causal link, it is noted that the import prices have actually declined in the period of investigation which has depressed the prices of the domestic industry. The domestic industry was earning profits in the earlier years and because of price depression has gone down into losses.

99. With regard to the issue of adjustment owing to time lag, the Authority as a matter of consistent practice has not allowed any adjustment for such time lag in the import prices.
100. As against the claim that production and sales have increased and exports have declined which has led to increase in the inventories, it is noted that the domestic sales of the applicant have declined and the export sales at unremunerative prices have increased in the period of investigation.
101. With regard to the claim that the applicant's loss is attributable to the global prices of the subject goods, it has been noted that the fall in the import price has forced the domestic industry to reduce its prices. The domestic industry has been unable to align its prices adequately to the movements in prices of raw materials because of low priced imports from the subject countries which have resulted in losses. Therefore, the claimed injury is attributable to the imports from subject countries in India.
102. In regard to the claim that the applicant has the highest market share, it is noted that the market share of the domestic industry has increased only by 9% in POI as compared to 2017-18, whereas the share of the subject countries imports has increased by 1253% in POI as compared to 2017-18. It is also noted that the domestic industry has the capacity to cater 100% of the demand of the subject goods in India but currently has only 55% share and operating with idle capacities.

**i. Injury margin for cooperative producers/exporters**

103. The Authority has determined Non-Injurious Price (NIP) for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the information/data relating to the cost of production for the period of investigation. The NIP of the domestic industry has been worked out and it has been compared with the landed price (LP) from each of the subject countries for calculating injury margin (IM). In line with the determination of dumping margins, the injury margin has also been determined for the related companies together taking them as one entity.
104. As mentioned in the dumping margin analysis in this Findings, it is noted from the response filed by producer from Saudi Arabia and their related Indian subsidiary that they have incurred a loss during the sale of the subject goods imported from their parent companies through different trading channels. As their sales price of subject goods are lower than their cost to the importer which included import prices and SGA of the Indian subsidiary, suitable adjustment has been made from their landed price.

SN	Country	Producer	NIP	Landed price	Injury margin	Injury margin	Injury margin
			(US\$/MT)	(US\$/MT)	(US\$/MT)	(%)	(Range)
1		M/s BorsodChem Zrt	***	***	***	***	30-40

SN	Country	Producer	NIP	Landed price	Injury margin	Injury margin	Injury margin
			(US\$/MT)	(US\$/MT)	(US\$/MT)	(%)	(Range)
	European Union	M/s Covestro Deutschland AG	***	***	***	***	<b>30-40</b>
		All Other producers/exporters	***	***	***	***	<b>30-40</b>
2	Saudi Arabia	M/s. Sadara Chemical Company	***	***	***	***	<b>20-30</b>
		All Other producers/exporters	***	***	***	***	<b>20-30</b>
3	Chinese Taipei	All producers/exporters	***	***	***	***	<b>20-30</b>
4	UAE	All producers/exporters	***	***	***	***	<b>25-35</b>

#### **j. Overall Assessment of Injury**

105. On the basis of the above, the following conclusions have been made provisionally:
- a. The subject imports have increased in absolute terms as well as in relation to production and consumption.
  - b. There is a steep decline in the import prices. The landed prices of the subject imports are below the cost of sales of the domestic industry in the POI. While price undercutting is marginally negative, the domestic industry has been forced to reduce prices due to decline in landed price of imports. The domestic industry is the sole producer of the product in India.
  - c. The imports from the subject countries have forced the domestic industry to reduce its prices much below the cost of sales. Thus, the imports have had an effect of price depression on the domestic industry.
  - d. While the production and capacity utilization of the domestic industry have increased, the domestic sales of the domestic industry have declined.
  - e. The market share of the domestic industry could have been much higher considering that it has the capacity to cater the entire demand in India.
  - f. Despite selling the product at losses, the domestic industry is left with significant inventories.
  - g. Profitability of the domestic industry has declined significantly and it has suffered financial losses in the period of investigation. Further, the domestic industry is facing cash losses and negative return on investment in the period of investigation.

#### **H. NON-ATTRIBUTION ANALYSIS**

106. The Authority is required to examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers,

developments in technology and the export performance and the productivity of the domestic industry. It has been examined below whether the above said factors other than dumped imports could have contributed to the injury to the domestic industry.

**a. Volume and prices of imports from third countries**

107. Imports from the subject countries and China, Korea and Japan are above de-minimus limit. The imports from China, Korea RP and Japan are already attracting anti-dumping duty. Thus, it cannot be said that imports from other/ remaining countries accounting for merely 2.15% of the total imports are causing injury.

**b. Contraction in Demand**

108. It is seen that the demand of the subject goods has increased over the injury period with marginal decline in the period of investigation as compared to the immediately preceding year. However, the volume of imports from the subject countries has increased significantly in the period of investigation as compared to the base year as well as the immediately preceding year. As a result of this, the imports from the subject countries have taken up substantial market share throughout the injury period whereas that of the domestic industry has declined slightly during the POI as compared to the immediately preceding year, as the domestic sales of the domestic industry have reduced in the period of investigation as compared to the immediately preceding year. Therefore, the decrease in the domestic sales of the domestic industry may be attributed to the increase in the imports from the subject countries and not to a minor fall in demand. Therefore, the decline in demand cannot be the reason of causing injury to the domestic industry.

**c. Changes in the pattern of consumption**

109. No interested party has produced any evidence relating to any known material changes in the pattern of consumption of the product under consideration. Hence, changes in the pattern of consumption have not caused injury to the domestic industry.

**d. Trade restrictive practices**

110. No interested party has produced any evidence relating to any known trade restrictive practice, which could have caused injury to the domestic industry. Hence, trade restrictive practices have not caused injury to the domestic industry.

**e. Development in technology**

111. No evidence has been brought before to the Authority by any interested party concerning any known and material changes in the technology that could have caused injury to the domestic industry. Hence, development in technology has not caused injury to the domestic industry.

**f. Export performance of domestic industry**

112. The domestic industry has claimed that it was unable to sell its production in the market due to the falling import prices from the subject countries and therefore it had to rely on exports to prevent inventory pile up. It has been further claimed by the domestic industry that the fact that the exports were made at prices lower than cost during the POI is in itself a reflection of the effects of injury being caused due to the dumped imports. The Authority

notes that the export sales of the domestic industry have increased substantially over the injury period. However, it is noted that the export prices of the domestic industry are much below the prices at which the domestic industry has sold in the domestic market which substantiates its claim of distress sale. While the Authority has relied on segregated data for domestic and export operations, to the extent the same could be, for the purpose of injury analysis of the domestic industry, the fact that the domestic industry was forced to export at significantly low and unremunerative prices is a reflection of the injury caused to the domestic industry due to the dumped imports. Possible decline in profits on export sales could not have caused impact on the domestic profitability of the domestic industry, as the Authority has considered injury data for the domestic operations separately for the injury analysis.

**g. Performance of other products of domestic industry**

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

**h. Productivity of the domestic industry**

114. The domestic industry has provided the data relating to their productivity. It is seen that the productivity per day has consistently and significantly improved over the injury period including the POI. Therefore, productivity of the domestic industry is not a possible cause of the injury to the domestic industry.

115. On the basis of above, the Authority provisionally concludes that the listed known factors have not caused claimed injury to the domestic industry and there seems to be no other reason besides the dumped imports from subject countries which could have impacted the performance of the domestic industry.

**I. CONCLUSION ON INJURY & CAUSAL LINK**

116. The Authority provisionally concludes as under:

- a. Imports of the subject goods from subject countries are entering India at a price lower than its associated normal value, resulting in dumping.
- b. Dumped imports have increased in absolute terms as well as in relation to production and consumption during the injury period including the period of investigation.
- c. There was rapid decline in the import prices during the POI. Further, imports of the subject goods are entering at prices much below the cost of sales of the domestic industry which has forced the domestic industry to reduce its prices even below its cost of sales. The subject imports are thus depressing the prices of the domestic industry.
- d. The landed price of the imports is lower than the non-injurious price of the domestic industry and is resulting in positive price underselling.
- e. The domestic industry has sufficient capacity to meet the entire demand and it is operating with idle capacities.
- f. Dumping margin is above de-minimis and positive.

- g. Because of the increasing dumped imports from the subject countries, the domestic industry has not been able to sell its entire production in the domestic market. The domestic industry has been instead forced to make distress export sales during the POI at prices much below its cost of sales and its domestic prices. Despite making forced export sales, the domestic industry has piled up significant inventories.
- h. Performance of the domestic industry has steeply deteriorated in respect of profits, cash profits and return on capital employed as a result of price depression, to such an extent that the domestic industry suffered financial losses, cash losses and negative return on capital employed in the period of investigation.

## **J. CONCLUSION & RECOMMENDATIONS**

117. After examining the submissions made by the interested parties and issues raised therein and considering the facts available on record, the Authority provisionally concludes the following.
- a. The product under consideration that has been exported to India from the subject countries are at dumped prices.
  - b. There is substantial increase in imports of subject goods from the subject countries in absolute terms as well as in relation to its production and consumption in India, during the period of investigation as compared to the previous year.
  - c. The domestic industry has suffered material injury.
  - d. Material injury has been caused by the dumped imports of the subject goods from the subject countries.
118. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide positive information on the aspect of dumping, injury and causal link. After conducting the preliminary investigation into dumping, injury and causal link as per the information/ data submitted by the interested parties and in terms of the provisions laid down under the Anti-Dumping Rules, the Authority is of the view that imposition of provisional duty is necessary to offset dumping and consequent injury, pending completion of the investigation. Therefore, Authority considers it necessary and recommends imposition of provisional anti-dumping duty on imports of subject goods from the subject countries.
119. In terms of provision contained in Rule 4(d) of the Rules, the Authority recommends imposition of provisional anti-dumping duty equal to the lesser of margin of dumping and the margin of injury, so as to remove the injury to the Domestic Industry. Accordingly, provisional anti-dumping duty equal to the amount mentioned in Column 7 of the duty table below is recommended to be imposed from the date of the Notification to be issued by the Central Government, on all imports of subject goods, as defined in para 9 of this finding, originating in or exported from subject countries.
120. The landed value of imports for this purpose shall be assessable value as determined by the Customs under Customs Act, 1962 and applicable level of custom duties except duties levied under Section 3, 8B, 9, 9A of the Customs Tariff Act, 1975.

### **Duty Table**

SN	Heading	Description of Goods	Country of Origin	Country of Exports	Producer	Duty Amount	Unit	Currency
1	2	3	4	5	6	7	8	9
1	29291020*	“Toluene Di-Isocyanate (TDI) having isomer content in the ratio of 80:20”.	EU	Any Country including EU	Covestro Deutschl and AG	221.04	MT	US\$
2	-do-	-do-	EU	Any Country including EU	BorsodChem Zrt	102.05	MT	US\$
3	-do-	-do-	EU	Any Country including EU	Any other producer other than S.No. 1 & 2 above	265.03	MT	US\$
4	-do-	-do-	Any Country other than countries attracting ADD	EU	Any	265.03	MT	US\$
5	-do-	-do-	Saudi Arabia	Any Country including Saudi Arabia	Sadara Chemical Company	275.01	MT	US\$
6	-do-	-do-	Saudi Arabia	Any Country including Saudi Arabia	Any other producer other than S.No. 5 above	361.76	MT	US\$
7	-do-	-do-	Any Country other than countries attracting ADD	Saudi Arabia	Any	361.76	MT	US\$
8	-do-	-do-	Chinese Taipei	Any Country including	Any	323.25	MT	US\$

				Chinese Taipei				
9	-do-	-do-	Any Country other than countries attracting ADD	Chinese Taipei	Any	323.25	MT	US\$
10	-do-	-do-	UAE	Any Country including UAE	Any	405.97	MT	US\$
11	-do-	-do-	Any Country other than countries attracting ADD	UAE	Any	405.97	MT	US\$

\*The customs classification is only indicative.

#### **K. FURTHER PROCEDURE**

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

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

**(B. B. Swain)**  
**Special Secretary & Designated Authority**