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**F. No. 6/40/2024-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**

Dated: 30.09.2024

**Initiation Notification
Case No. AD(OI)-37/2024**

Subject: Initiation of anti-dumping investigation concerning imports of “Copolymer Polyol of hydroxyl value ≥ 23.5 ” originating in or exported from China PR.

M/s Expanded Polymer Systems Pvt. Ltd. (hereinafter referred to as the “applicant”), has filed an application before the Designated Authority (hereinafter referred to as the ‘Authority’), on behalf of domestic industry, in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the ‘Act’) and the Customs Tariff (Identification, Assessment, and Collection of Anti-Dumping Duty on dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the ‘Rules’), seeking initiation of anti-dumping investigation by alleging dumping of “Copolymer Polyol of hydroxyl value ≥ 23.5 ” (hereinafter referred to as the ‘subject goods’ or the ‘product under consideration’ or the ‘PUC’), originating in or exported from China PR (hereinafter referred to as the ‘subject country’).

A. Product under Consideration

2. The product under consideration is “Copolymer Polyol of hydroxyl value ≥ 23.5 ”. The PUC is also known as Polymer Polyol in market parlance.
3. The PUC is mainly used for manufacturing of Flexible Foam, which is majorly used in manufacturing of mattresses. It is also used for the manufacturing of bra-cups. It is a Polymer Polyol which improves the hardness of slab foam when added in the manufacturing process of slab polyurethane foam. The subject goods are classified under chapter heading 39 under HS Code 39072910 and 39072990. The custom classification is indicative only and in no way, it is binding upon the product scope.
4. The parties to the present investigation may provide their comments on the scope of the PUC and propose PCNs, if any, within 15 days of the initiation of this investigation.

B. Like Article

5. The applicant has stated that there are no significant differences in the article produced by the applicant and exported from the subject country. The article produced by the applicant and imported from China are comparable in terms of physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification of the subject goods. The subject goods and the article manufactured by the applicant are technically and commercially substitutable. The applicant has claimed that consumers of the PUC are using the subject goods and the article manufactured by the applicant interchangeably. Thus, for the purposes of initiation of the present investigation, the subject goods produced by the Applicant and the subject goods imported from the subject countries are being treated as 'like article' to each other.

C. Domestic Industry & Standing

6. Rule 2(b) defines domestic industry as follows:

“'domestic industry' means the domestic producers as a whole of the like article or domestic producers 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 which case such producers shall be deemed not to form part of domestic industry”

7. The application has been filed by M/s Expanded Polymer Systems Pvt. Ltd. The applicant is the sole producer of the subject goods in India. The applicant accounts for 100% of the Indian production.
8. The applicant has not imported the subject goods from the subject country during the period of injury. Moreover, the applicant is not related to any importer or exporter of the subject goods during POI.
9. In view of the above, the applicant domestic producer constitutes domestic industry as defined under Rule 2(b) of the ADD Rules, 1995 and the application satisfies the requirements of standing in terms of Rule 5(3) of the ADD Rules, 1995.

D. Subject Country

10. The subject country for the present investigation is China PR.

E. Period of Investigation

11. Period of investigation is 1st April 2023 to 31st March 2024 (12 months). The injury period is from 1st April 2020 - 31st March 2021, 1st April 2021 - 31st March 2022, 1st April 2022 - 31st March 2023 and the POI.

F. Normal Value for China PR

12. The domestic industry has claimed that the producers from China PR must be asked to demonstrate that market economy conditions prevail in the industry with regard to the production and sales of the subject goods in accordance with Para 7 of Annexure-I to the Anti-Dumping Rules, 1995.
13. Applicant has claimed normal value in case of China PR on the basis of the price actually paid or payable in India, duly adjusted to include a reasonable profit margin. The normal value has been, therefore, constructed based on the best estimates of the cost of the production in India of the subject goods as available after adjusting the selling, general and administrative expenses with reasonable profit margin.

G. Export Price

14. The export price of the subject goods has been determined by considering the CIF price of the subject goods from applicant's data. Accordingly, the import data submitted by the applicant has been considered for CIF price of the subject goods for the determination of Net Export Price (NEP). The price adjustments have been made on account of ocean freight, marine insurance, commission, inland freight, port expenses, and bank charges to arrive at ex-factory export price.

H. Dumping Margin

15. The normal value and the export price have been compared at the ex-factory level, which *prima facie* establishes that the dumping margin is above the *de minimis* level and is significant with respect to the product under consideration from the subject country. Thus, there is sufficient *prima facie* evidence that the product under consideration from the subject country is being dumped in the domestic market of India by the exporters from the subject country.

I. Injury and Causal Link

16. The applicant has furnished the information on various parameters relating to 'injury' to the domestic industry as prescribed under the Rules. The evidence provided by the applicant *prima facie* shows injury to the domestic industry that has been caused by the alleged dumped imports from China PR.
17. The applicant has provided information with respect to the injury suffered by the applicant because of dumped imports. The volume of the subject imports from the subject country has increased in absolute terms as well as relative term. The price undercutting from the subject country is positive. The price suppression caused by the dumped imports have prevented the applicant from increasing its prices to recover the full cost and achieve a reasonable rate of return. The applicant is suffering from financial losses. There is sufficient *prima facie* evidence of material injury being caused to the applicant due to dumped imports from the subject country to justify the initiation of the anti-dumping investigation.

J. Initiation of the Investigation

18. On the basis of the duly substantiated written application submitted by the applicant and having reached satisfaction based on the prima facie evidence submitted by the applicant concerning the dumping of the product under consideration originating in or exported from the subject country, the consequential injury to the domestic industry as a result of the alleged dumping of the subject goods and the causal link between such injury and the dumped imports, and in accordance with Section 9A of the Act read with Rule 5 of the AD Rules, the Authority, hereby, initiates an anti-dumping investigation to determine the existence, degree and effect of the dumping with respect to the product under consideration originating in or exported from the subject country and to recommend the appropriate amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

K. PROCEDURE

19. The provisions of Rules 6 of the AD Rules, 1995 shall be followed in this investigation.

L. Submission of Information

20. All communication should be sent to the Designated Authority *via* email at email addresses jd12-dgtr@gov.in and ad12-dgtr@gov.in with a copy to adv11-dgtr@gov.in and consultant-dgtr@govcontractor.in. It must be ensured that the narrative part of the submission is in searchable PDF/MS-Word format and data files are in MS-Excel format.
21. The known producers/exporters in the subject country, the Government of the subject country through its Embassy in India, and the importers and users in India who are known to be associated with the subject goods are being informed separately to enable them to file all the relevant information within the time limits mentioned in this initiation notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority.
22. Any other interested party may also make a submission relevant to the present investigation in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority within the time limits mentioned in this initiation notification.
23. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
24. Interested parties are further directed to regularly visit the official website of the Directorate General of Trade Remedies (<https://www.dgtr.gov.in/>) to stay updated and apprised with the information as well as further processes related to the investigation.

M. Time Limit

25. Any information relating to the present investigation should be sent to the Designated Authority via email at email address jd12-dgtr@gov.in and ad12-dgtr@gov.in with a

copy to adv11-dgtr@gov.in and consultant-dgtr@govcontractor.in within 30 days from the date on which the non-confidential version of the application filed by the domestic industry would be circulated by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country as per Rule 6(4) of the ADD Rules. If no information is received within the stipulated time limit or the information received is incomplete, the Authority may record its findings based on the facts available on record and in accordance with the Rules.

26. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit as stipulated in this notification.
27. Where an interested party seeks additional time for filing of submissions, it must demonstrate sufficient cause for such extension in terms of Rule 6(4) of the ADD Rules, 1995 and such request must come within the time stipulated in this notification.

N. Submission of Information on Confidential Basis

28. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, such party is required to simultaneously submit a non-confidential version of such information in terms of Rule 7 of the ADD Rules and in accordance with the relevant trade notices issued by the Authority in this regard.
29. Such submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission that has been made to the Authority without such markings shall be treated as “non-confidential” information by the Authority, and the Authority shall be at liberty to allow other interested parties to inspect such submissions.
30. The confidential version shall contain all information which is, by nature, confidential, and/or other information, which the supplier of such information claims as confidential. For the information which is claimed to be confidential by nature, or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
31. The non-confidential version of the information filed by the interested parties should be a replica of the confidential version with the confidential information preferably indexed or blanked out (where indexation is not possible) and such information must be appropriately and adequately summarized depending upon the information on which confidentiality is claimed.
32. The non-confidential summary must be insufficient detail to permit a reasonable understanding of the substance of the information furnished on a confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons containing a sufficient and adequate explanation in terms of Rule 8 of the Rules, 1995, and appropriate trade notices issued by the Authority, as to why such summarization is not possible, must be provided to the satisfaction of the Authority.


33. The interested parties can offer their comments on the issues of confidentiality claimed by the domestic industry within 7 days from the date of circulation of the non-confidential version of the documents filed before the Authority as indicated in initiation notification.
34. Any submission made without a meaningful non-confidential version there of or a sufficient and adequate cause statement in terms of Rule 7 of the Rules, and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.
35. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
36. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

O. INSPECTION OF PUBLIC FILE

37. A list of registered interested parties will be uploaded on the DGTR's website along with the request there in to all of them to email the non-confidential version of their submissions and other information to all other interested parties.

P. Non-Cooperation

38. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority in this initiation notification or subsequently time period provided through separate communication, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings based on the facts available and make such recommendations to the Central Government as it deems fit.


(Darpan Jain)
Designated Authority