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**F. No. 06/02/2025-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**

**NOTIFICATION**  
**(FINAL FINDINGS)**

**Date: 17th March, 2026**

**Case No. AD (OI)- 02/2025**

**Subject: Anti-dumping Investigation concerning imports of “Flexible Slabstock Polyol” originating in or exported from China PR and Thailand.**

**F. No. 06/02/2025-DGTR:** - Having regard to the Customs Tariff Act 1975 as amended from time to time (hereinafter also referred to as the Act), and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time, (hereinafter also referred to as the Anti-Dumping Rules or the Rules);

**A. BACKGROUND OF THE CASE**

1. Manali Petrochemicals Limited (hereinafter referred to as the “applicant” or the “domestic industry”) filed an application, before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as the Act), and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time, (hereinafter also referred to as the Anti-Dumping Rules or the Rules) for initiation of anti-dumping investigation concerning imports of Flexible Slabstock Polyol (hereinafter also referred to as “FSP” or the “product under consideration” or the “subject goods”) from China PR and Thailand (hereinafter referred to as “subject countries”).

2. In view of the duly substantiated application with prima facie evidence substantiating existence of dumping and injury, in accordance with Rule 5 of the Rules, the Authority issued a public notice initiating the anti-dumping investigation into imports of the product under consideration from China PR and Thailand, vide Notification No. 06/02/2025-DGTR, dated 18<sup>th</sup> March 2025, published in the Gazette of India. The Authority initiated the anti-dumping investigation to determine the existence, degree and effect of the alleged dumping of the subject goods 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 below has been followed with regard to the investigation:

### **3.1 Initiation**

- a. The Authority notified the Embassies of the subject countries in India about the receipt of the present application before proceeding to initiate the investigation in accordance with sub-rule (5) of Rule 5 of the Rules.
- b. The Authority issued a public notice dated 18<sup>th</sup> March 2025, published in the Gazette of India, Extraordinary, initiating the anti-dumping investigation concerning imports of subject goods from the subject countries.
- c. The Authority sent a copy of the initiation notification to the Government of the subject countries, through their Embassies in India, known producers and exporters from the subject countries, known importers / users and the domestic industry as well as other interested parties, as per the addresses made available by the applicant and requested them to make their views known in writing within the prescribed time limit.

### **3.2 Circulation of non-confidential version of the application**

- d. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Government of the subject countries, through their Embassies in India, in accordance with Rule 6(3) of the Anti-Dumping Rules. A copy of the non-confidential version of the application was made available to other interested parties, wherever requested.

### **3.3 Participation by Exporters of Subject Country**

- e. The Authority sent exporter's questionnaire to the known producers/exporters from the subject countries, known importers/ users in India, other Indian producers and the domestic industry as per the addresses made available by the applicant and requested them to make their views known in writing by the extended timeline.
- f. The Authority sent the Exporters' Questionnaire to the following known producers/ exporters to elicit relevant information in accordance with Rule 6(4) of the Rules:
  - 1. Allnex Resins (China) China., Limited (China)
  - 2. Wanhua Chemical (Singapore) Pte. Ltd. Singapore
  - 3. Wanhua Chemical (Yantai) Trading Co. Limited (China)
  - 4. Wanhua Chemicals Group (China)
  - 5. Allnex (Thailand) Ltd. (Thailand)
  - 6. Dow Chemical Thailand Limited (Thailand)
  - 7. GC Polyols Company Limited (Thailand)
  - 8. Toyota Tsusho (Thailand) Co., Limited (Thailand)
- g. The Embassies of the subject countries in India were requested to advise the exporters/producers from their countries to respond to the questionnaire within the prescribed time limit.
- h. In response to the initiation of the subject investigation, the following producers/exporters from the subject countries have responded by filing questionnaire response:
  - 1. Wanhua Chemical Group Co., Ltd (China)
  - 2. Wanhua Chemical (Yantai) Trading Co., Ltd (China)
  - 3. Wanhua Chemical (Singapore) Pte., Ltd. (China)
  - 4. Dow Chemical Thailand Ltd., Thailand (Thailand)
  - 5. Dow Chemical International Pvt Ltd, Dubai Branch (Thailand)
  - 6. Dow Chemical Pacific (Singapore) Private Limited (Thailand)

### **3.4 Participation by Importers/Users**

- i. The Authority sent Importer's and User's Questionnaire to the known importers / users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules.
  - 1. Dow Chemical International Private Limited, India (DCIPL)
  - 2. M.H. Polymers Ltd.
  - 3. Sheela Foam Ltd. (SFL)
  - 4. Tirupati Foam Ltd.

5. Toyota Tsusho India Pvt. Ltd.
6. Wanhua International (India) Pvt. Ltd.
- j. In response to the initiation of the subject investigation notification, following importers/users have responded by filing questionnaire response:
  1. Expanded Polymer Systems Private Limited
  2. Sheela Foam Limited (SFL)
  3. Wanhua International (India) Private Limited
- k. Submissions were also received from Allnex Resins (China) China., Limited (China) and Allnex (Thailand) Ltd. (Thailand) during the course of the investigation.
- l. A copy of the initiation notification and non-confidential version of the application was sent to the Indian Polyurethane Association as well. The Association made submissions during the course of the investigation.
- m. A copy of the initiation notification and non-confidential version of the application was sent to the Department of Chemical and Petrochemicals, Ministry of Chemicals and Fertilizers. However, the Authority has not received any comments.
- n. The Authority made available non-confidential version of the evidence presented by various interested parties. A list of all interested parties was uploaded on the DGTR website, along with the request to all of them to email the non-confidential version of their submissions to all the other interested parties.
- o. Request was made to DG Systems to provide the transaction-wise details of imports of subject goods for the injury period and also the period of investigation. The Authority has relied upon the DG Systems data for computation of the volume of imports and required analysis after due examination of the transactions.
- p. The non-injurious price (NIP) based on the optimum cost of production and cost to make & sell the subject goods in India, as per the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules, has been worked out so as to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.

### **3.5 Period of Investigation and Injury Period**

- q. The period of investigation (POI) for the purpose of present investigation is 1<sup>st</sup> October 2023 to 30<sup>th</sup> September 2024 (12 months). The examination of trends in the context of injury analysis covered the periods 2021-22, 2022-23, 2023-24 and the period of investigation.

- r. An opportunity was provided by the Authority to all interested parties to give their comments on the scope of the product under consideration and PCN methodology.

### **3.6 Further Procedures**

- s. In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to the interested parties to present their views in a oral hearing held on 1st December 2025. The parties presented their views in the oral hearing and were requested to file written submissions of the views expressed orally, followed by rejoinder submissions.
- t. The submissions made by the interested parties during the course of this investigation, to the extent supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority, in this final finding.
- u. The Authority circulated the disclosure statement containing all essential facts under consideration for making the final recommendations to the Central Government to all interested parties on 5th March 2026. The Authority has examined all the post-disclosure comments made by the interested parties in these final findings to the extent deemed relevant. Any submission which was merely a reproduction of the previous submissions, and which had been adequately examined by the Authority, has not been repeated for the sake of brevity.
- v. 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.
- w. 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 views/observations on the basis of the facts available.
- x. The Authority, during the course of the investigation, satisfied itself as to the accuracy of the information supplied by the interested parties, which forms the basis of the present disclosure statement to the extent possible and verified the data/documents submitted by all the interested parties to the extent considered relevant, practicable and necessary.

- y. ‘\*\*\*’ in this notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- z. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = ₹ 84.27.

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

**C.1. Submissions by other interested parties**

- 4. The following submissions have been made by the other interested parties regarding the scope of the product under consideration and like article.
  - a. The product produced using KOH technology leads to higher potassium residue, which makes it unusable in the polymer polyol production by the users. In contrast, FSP produced through DMC technology aligns with the process of the users and has superior consistency, which is important for the users’ competitiveness
  - b. The domestic industry uses KOH technology which is outdated and inferior to DMC technology used by global producers, which may be cause of injury. The applicant has itself admitted to making investment in new DMC based plants.
  - c. The users are unable to use the subject goods produced by the applicant for production of polymer polyol.
  - d. The user industry depends on imports of FSP as compared to domestic FSP as it lacks requisite quality, limiting the competitiveness of downstream and export-oriented sectors.
  - e. The quality of the product supplied by the domestic industry is poor. While large manufacturers can sometimes mitigate the defects in the domestic product, majority of the downstream users which are MSMEs lack the infrastructure required to correct these inconsistencies.
  - f. The applicant has submitted technical data sheet for viscoelastic polyether polyol which does not relate to Flexible Slabstock Polyol, which brings doubt over authenticity of information.
  - g. The Authority must exclude polyester resin from the scope of the product under consideration, as it is an entirely different product and was excluded in past investigations as well.
  - h. The subject goods manufactured using KOH and DMC technologies are not technically or commercially identical, as the choice of catalyst materially impacts quality, impurity, levels and downstream performance. DMC based FSP is a distinct, superior product with lower unsaturation and potassium impurities and cannot be equated with KOH based FSP.

**C.2. Submissions by the domestic industry**

5. The following submissions have been made by the domestic industry with regard to the product under consideration and like article:
  - a. The product under consideration is Flexible Slabstock Polyol with molecular weight 3000-4000.
  - b. The product is used for manufacturing of foams which is majorly used in mattresses, upholstery, pillows, bolsters, transport seating and packaging.
  - c. The product under consideration is classified under Chapter 39 of the Customs Tariff Act, 1975. Prior to February 2022, the product was imported under tariff item '3907 20' and thereafter, it was imported under tariff items '3907 29 10' and '3907 29 90'.
  - d. The applicant has no objections to exclusions of polyester resins from the product scope.
  - e. The subject goods can be produced using KOH or DMC technology. While the applicant has used KOH technology, the producers from the subject countries have used both technologies.
  - f. FSP produced using KOH technology or DMC technology is comparable and can be used interchangeably as there is no major difference in the raw materials and product process used in both technologies.
  - g. The technical and chemical characteristics of the end product produced using both technologies are same, except potassium residue which is very less pronounced. The same is reproduced in the table below. As can be seen from the table, the molecular weight, hydroxyl number, viscosity, functionality and appearance of the products produced from both routes is same or similar. The only difference between the product produced by the two routes is the difference in potassium residue. The domestic industry has claimed that such a difference can be easily offset by the users, through use of fillers.

Parameter	KOH-Catalysed	DMC-Catalysed	Remarks
Molecular Weight	3000–4000	3000–4000	Same
Hydroxyl Number	~48–56	~48–56	Same
Viscosity @ 25°C	500–700	400–600	Similar
Functionality	3 (triol)	3 (triol)	Same
Potassium Residue	5–10 ppm (after	<1 ppm	Different
Appearance	Clear liquid	Clear liquid	Same

- h. Further, certain interested parties have argued that they are unable to use the product produced by the domestic industry due to the poor quality of the product produced using KOH technology, while the DMC based product is of higher quality. In this regard, the domestic industry has submitted that they have been regularly supplying the product to its customers, who have continued to purchase its product produced using KOH technology. Thus, it is not a case that the users have ceased purchasing the product from the domestic industry on account of the product being inferior.

Name of	2021-22	2022-23	2023-24	POI
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
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***	***	***	***	***
***	***	***	***	***

- i. The domestic industry is regularly supplying the subject goods to all major consumers in the country, which demonstrates that the users are using products produced using KOH and DMC technology.
- j. Globally, all producers, including producers in the subject countries have been using KOH technology. While certain producers have added production lines for DMC technology, such producers have not stopped the production lines for KOH technology.
- k. As against the claim that FSP produced through DMC route is of better quality, the price of imported FSP is lower than price offered by the domestic industry.
- l. The Authority in the past investigation determined that the products produced by both technologies were used by customers interchangeably.
- m. Contrary to the claim that the subject goods cannot be used for production of polymer polyol, the applicant is itself using self-produced FSP for the production of polymer polyol, which is sold in the market.
- n. EMPEYOL F3502 is the brand name for the product under consideration, for which the applicant has provided technical data sheet. The product falls under the larger class of products called “polyether polyols”.

- o. The product produced by the domestic industry is like article to the product under consideration.

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

At the time of initiation of the present investigation, the Authority considered the following as the scope of product under consideration.

*“3. The product under consideration is “Flexible Slabstock Polyol”, abbreviated as FSP. It is a clear viscous liquid polymer of molecular weight 3000-4000 manufactured by polymerization of propylene oxide and ethylene oxide with a triol chain starter. It is a polyether and on reaction with catalysts and additives, yields polyurethane foams which is used in upholstery, mattresses, pillows, bolsters, transport seating and packaging. The major raw materials used in the production process are propylene oxide and ethylene oxide.”*

*4. The subject goods are classified under Chapter 39 viz. , "Plastics and articles thereof, of the Customs Tariff Act under heading 3907 and tariff item 3907 29 10 and 3907 29 90, with effect from 1<sup>st</sup> February 2022. Additionally, the product has also been imported under the sub heading 3907 20 for part of the injury period, i.e., 1<sup>st</sup> April 2021 to 31<sup>st</sup> January 2022. The customs classification is only indicative and is not binding on the scope of the product under consideration”*

6. The other interested parties have argued that Double Metal Cyanide (DMC) catalyst technology is a modern and advanced process and produced using this technology are preferred over KOH-based method. Further, users have also claimed that they are unable to use the KOH-based FSP supplied by the domestic industry due to its poor performance and higher potassium residue. It is also argued that while large scale customers can mitigate the defects in the domestic product, majority of the downstream users which belong to MSME’s lack the infrastructure required to correct these inconsistencies.
7. On the contrary, the domestic industry has submitted that there are no differences in the product produced by either of the technologies and the products can be used interchangeably. The domestic industry has argued that there is no major difference in the production process used in either of the technologies. While the inputs such as catalysts used may differ, the major raw materials, that is propylene oxide and ethylene oxide, used in the production process are the same. The technical characteristics of the

FSP produced using KOH or DMC route are also largely similar, except with respect to Potassium residue. Further, difference of the potassium residue can be easily offset by the usage of fillers by the foam manufacturers of India. The domestic industry has also claimed that it has been regularly supplying its products to all major foam producers in the country, including those who have participated in the present investigation. In fact, the applicant is itself using the KOH-based FSP to make downstream products.

8. The domestic industry has also highlighted that similar arguments regarding difference between KOH and DMC technology have been made by interested parties in the past investigations as well. However, the Authority determined that products produced by either of the technologies were used by the customers interchangeably, and are like products.
9. The Authority has examined the arguments made by all other interested parties as well as the domestic industry. With respect to arguments raised against difference in technical properties between FSP produced using both technologies, the Authority notes that the technical and physical properties of the end-product produced from both the production processes fall within the same range, and are inter-se comparable and substitutable, as per information submitted by the domestic industry.
10. Further, it is seen that both the products are being interchangeably used and as substitutes to each other by the user industry.
11. Further, certain interested parties have argued that polyester resin must be excluded from the product scope, as was done in past investigations, considering that the products are different. The domestic industry has clarified that it has no objection to exclusion of polyester resin. It is noted that Polyester Resin was not included within the product scope *ab initio* and thus, there is not cause for exclusion.
12. The Authority granted an opportunity to all the interested parties to file their submissions regarding determination of the PCN methodology. However, none of the interested parties filed comments on creation of PCN methodology. Therefore, the product scope and PCN methodology was finalized by the Authority vide Notification dated 16<sup>th</sup> April 2025.
13. On the basis of information and evidence on record, past determinations made by the Authority in investigations concerning this product and other products, and having regard to the above, the scope of the product under consideration is as follows:

*“3. The product under consideration is “Flexible Slabstock Polyol”, abbreviated as FSP. It is a clear viscous liquid polymer of molecular weight 3000-4000 manufactured by polymerization of propylene oxide and ethylene oxide with a triol chain starter. It is a polyether and on reaction with catalysts and additives, yields polyurethane foams which is used in upholstery, mattresses, pillows, bolsters, transport seating and packaging. The major raw materials used in the production process are propylene oxide and ethylene oxide.”*

*4. The subject goods are classified under Chapter 39 viz. , "Plastics and articles thereof", of the Customs Tariff Act under heading 3907 and tariff item 3907 29 10 and 3907 29 90, with effect from 1<sup>st</sup> February 2022. Additionally, the product has also been imported under the sub heading 3907 20 for part of the injury period, i.e., 1<sup>st</sup> April 2021 to 31<sup>st</sup> January 2022. The customs classification is only indicative and is not binding on the scope of the product under consideration”*

14. The Authority notes that the product produced by the domestic industry is comparable to the product under consideration imported from the subject countries in terms of physical and chemical characteristics, product specifications, technical specifications, manufacturing process, and technology, functions and uses, pricing, distribution and marketing, and tariff classification of the goods. The two are technically and commercially interchangeable. Accordingly, the Authority proposes to conclude that the product produced by the domestic industry are ‘like article’ to the product under consideration imported from the subject countries in terms of Rule 2(d) of the Rules.

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

##### **D.1. Submissions by other interested parties**

15. The other interested parties have not made any submissions with regard to the scope of domestic industry and standing.

##### **D.2. Submissions by the domestic industry**

16. The following submissions have been made by the domestic industry with regard to the scope of domestic industry and standing:
- i. The applicant is the sole producer of the subject goods in the country, and thus accounts for 100% of total Indian production and is eligible to constitute domestic industry in terms of Rule 2(b) of the Anti-dumping Rules.

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

17. 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”.*

18. The present application has been filed by Manali Petrochemicals Limited. The Authority notes that the applicant is the sole producer of subject goods in India and there is no other domestic producer of the subject goods in India.
19. The Authority also notes that the products produced by the domestic industry are like article to the imports of subject goods from the subject countries.
20. Further, the Authority notes that the applicant has not imported the subject goods from the subject countries during the period of investigation. The applicant is not related to any exporter of the subject goods in the subject countries or importer of the subject goods in India. Thus, the applicant constitutes domestic industry as defined under Rule 2(b) of the Anti-dumping Rules, and the application satisfies the requirement of standing in terms of Rule 5(3) of the Anti-dumping Rules.

**E. CONFIDENTIALITY**

**E.1. Submissions by other interested parties**

21. The following submissions have been made by the other interested parties with regards to confidentiality.
- a. The applicant has claimed excessive confidentiality with respect to – (a) average industry norms for capacity utilization, productivity per day, inventory and PBIT; (b) sales quantity, value and realization per for small scale industries; (c) R & D expenses; (d) funds raised; (e) cost of sales per unit – Exports; and (f) NIP in range of +/- 10%.
- b. The applicant has claimed excessive confidentiality with respect to NIP and net sales realization which is in violation of the trade notice 10/2018. The Authority

should not have automatically accepted the confidentiality claim without evaluating the information, based on the decision of Hon'ble Supreme Court in Sterlite Industries (India) Ltd. v. DA; CESTAT in H&R Johnson (India) Ltd. v. DA; and WTO Appellate Body in EC – Certain Iron or Steel Fasteners from China.

**E.2. Submissions by the domestic industry**

22. The following submissions have been made by the domestic industry with regard to confidentiality.
- a. The arguments of the interested parties regarding confidentiality claims are highly belated and cannot be accepted.
  - b. The applicant is not required to report average industry norms for capacity utilization, productivity per day, inventory and PBIT; sales quantity, value and realization per for small scale industries; R & D expenses; funds raised; and cost of sales per unit – Exports as per Trade Notice 5/2021, and thus, there can be no claim for excessive confidentiality.
  - c. The non-injurious price of the domestic industry is highly confidential, and can be severely detrimental to the competitive interests of the domestic industry, in its negotiations with the customers. Thus, the same cannot be disclosed.
  - d. The exporters from the subject countries and user industry have claimed excessive confidentiality in their questionnaire responses. Further, certain interested parties have claimed information entirely confidential, while such information is available in public domain.

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

23. The Authority made available the non-confidential version of the information provided by various parties to all the other interested parties as per Rule 6(7) of the Rules.
24. With regard to confidentiality of information, Rule 7 of the Anti-dumping Rules provide as follows:

*“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule(2) of rule12,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 authorize its disclosure in a generalized or summary form, it may disregard such information.”*

25. The information provided by the interested parties on a confidential basis was examined with regard to sufficiency of such claims. 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, the parties provided information on a confidential basis were directed to provide sufficient non confidential versions of the information filed on a confidential basis. The Authority also notes that all interested parties have claimed their business-related sensitive information as confidential.

## **F. MISCELLANEOUS SUBMISSIONS**

### **E.1. Submissions by other interested parties**

26. The following miscellaneous submissions have been made by the other interested parties.
- a. The domestic industry has been a beneficiary of anti-dumping duties for a long time, restricting imports of FSP from various countries and includes withdrawal of application in some cases demonstrating that the domestic industry has received adequate protection since 2001.
  - b. Anti-dumping duties have been imposed on subject goods for the last 22 years, giving a near permanent character.
  - c. Since duty is imposed for 5 years, the decision of Ministry of Finance to not impose duties should also stand for 5 years. Issuing a new recommendation within 2 years of rejection of duty would undermine the decision of the Ministry of Finance.
  - d. The applicant has approached the Authority seeking duties on China and Thailand immediately after earlier recommendations were rejected by the Central Government. Trade remedial investigations cannot be misused by filing application having been dissatisfied with the rejection.
  - e. The import data submitted by the applicant is unreliable as it does not align with the import data published by the Authority in the previous final findings. Even if

the investigation was initiated based on imports from DGCI&S/DG systems, the application was deficient and should not have been accepted and highlights the frivolity and internal inconsistencies of the present proceedings.

- f. The petitioner has presented irreconcilable data for the same base year, inflating import volumes, total demand, and market size, while converting a year previously verified as loss-making into a profitable benchmark. This deliberate manipulation artificially exaggerates alleged volume and financial effects, creating a distorted picture of market injury.
- g. The injury parameters in the petition are wholly unreliable, and in the absence of a credible base year, the petitioner has failed to establish injury. The continuation of the present investigation is consequently unwarranted.
- h. The Authority must provide the user industry with import data in the format and manner in which it was placed on record. Reliance was placed on Exotic Décor Pvt. Ltd. vs Designated Authority in this regard.
- i. The Authority is requested to use DGCI&S/DG systems data to determine injury as against the inflated margins claimed by the applicant.
- j. The profitability figures reported in the present petition are different than as noted by the Authority in its final findings. The Authority should not have initiated an investigation based on incorrect information.
- k. The differences in prices between present and earlier proceedings as highlighted during the hearing highlight the frivolity and internal inconsistencies of the present proceedings.
- l. The association's membership can be publicly verified, and any attempt by the applicant to cast doubt on the credibility of the association is unwarranted, given that the applicant itself is a member of the association.
- m. The present investigation is based on data that is fundamentally inconsistent with the Hon'ble Authority's own verified findings in the earlier anti-dumping investigation concerning Flexible Slabstock Polyol from China PR and Thailand. The year 2021–22, which was the base year in both cases, was conclusively examined by the Authority, with verified import volumes, demand figures, and financial performance recorded in the Final Findings dated 28<sup>th</sup> March 2024.
- n. The petitioner's current submission inflates imports from China PR and Thailand by 59–83% and total market demand by over 63%, without explanation. Similarly, a year previously verified as loss-making with negative cash profits and ROCE are now presented as profitable, creating a distorted economic narrative.
- o. The petitioner's unexplained data inflation, selective presentation of financials, and failure to address contradictions raised during hearings indicate that the data is unreliable and self-serving. Consequently, the present investigation is founded on distorted facts, lacks credibility, and warrants rejection at the threshold.

**F.2. Submissions by the domestic industry**

27. The following miscellaneous submissions have been made by the domestic industry.
- a. Claims of misuse of trade remedy investigation are misplaced, as it is the foreign producers that are abusing fair market.
  - b. Contrary to the argument of the other interested parties, the Authority found that the subject imports caused injury to the domestic industry and there was a need to continue duties in past investigations, except where the applicant withdrew its application considering temporary relief against dumping.
  - c. The Ministry of Finance has not provided any reason for not accepting the recommendation of the Authority in the previous investigation, and any speculation in this regard should not be accepted.
  - d. The applicant has relied on imports sourced from third parties, while the Authority relies on DGCI&S/DG systems data, which may have led to the differences in import volumes.
  - e. The association has not provided list of its members, or demonstrated which of its members would be affected by the measures. Therefore, it has not demonstrated its status as an interested party. The association must also demonstrate that it was validly authorized to participate.
  - f. Since the exporters have continued to dump the subject goods, the domestic industry cannot be faulted for approaching the Authority to seek remedy.

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

28. With regards to the submission that the applicant is misusing trade remedial measures and has been a beneficiary of trade remedial investigations since last two decades, the Authority notes that all the investigations have been conducted based on detailed examination of evidence submitted by all parties and recommendation for imposition / continuation of duties has been made only after examination of dumping, injury and causal link, wherever relevant.
29. With regards to the submission that the Authority has not made available the import data in the format and manner prescribed to the user industry, the Authority notes that the DGCI&S/DG systems transaction wise import data is not available in the public domain and the same cannot be shared with any party under the current legal provisions.
30. Certain interested parties have claimed that the data used by the applicant is not reliable and thus, has resulted in the inflated claims of margins. In this regard, it is noted that the applicant has relied on import data sourced from market sources in the application

filed. However, the Authority has relied upon the import data as per DGCI&S/DG systems for the purpose of this investigation. Further, the dumping margin for the cooperating exporters would be based on the data submitted by them and duly verified by the Authority. Accordingly, the reliability of the import data used by the applicant in its application is not material.

## **G. NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN**

### **G.1. Submissions by other interested parties**

31. The following submissions have been made by the other interested parties, with reference to determination of normal value, export price and dumping margin.
  - a. The Authority should calculate individual margins based on the information provided by the exporter in their response.
  - b. China PR should not be treated as a non-market economy since Article 15 of the Accession Protocol has expired on 11<sup>th</sup> December, 2016, as understood by US and EU at the time of China's accession to WTO. As such, the practice of determining 'surrogate country' for normal value determination should not be used. Reference can be made to the recent Appellate Body report in EC-Fasteners (China).
  - c. India is bound by the principle of "pacta sunt servanda" as a member of WTO and must recognize China's full market economy status from 11<sup>th</sup> December 2016. It cannot invoke domestic law as a justification for failure to perform.
  - d. Statement issued by White House and Explanatory Memorandum attached to EU Council decision reveal that US and European Union also shared the understanding that China PR can be treated as a non-market economy only till 11<sup>th</sup> December 2016.
  - e. Dow Thailand is not a major supplier of subject goods to, accounting for only 15% of the total exports, and thus, does not have the ability to influence prices, supply, or competition in India.
  - f. The applicant has failed to demonstrate any material injury, as imports from the subject countries have in fact declined during the POI and alleged import volumes appear inflated and inconsistent with earlier findings. A proper evaluation of injury parameters does not establish any adverse impact attributable to the subject imports.

### **G.2. Submissions by the domestic industry**

32. The domestic industry has submitted as follows with reference to determination of normal value, export price and dumping margin.
- a. The normal value for the Chinese producers should be determined as per Para 7 of Annexure-I of Anti-dumping Rules as no producer has sought market economy treatment.
  - b. The Authority must verify the information submitted by Dow Thailand, particularly with respect to purchase of inputs from affiliated parties. Only if such information is found to be appropriate and accurate, the same may be used for determination of dumping margin for the exporters.
  - c. If the exporter is unable to demonstrate that inputs purchased from the affiliates were at an arm's length, the cost of production for the producer should be determined based on price of imports of propylene and ethylene into Thailand based on Trade Map data.
  - d. The Authority should examine whether transfer price of captively produced raw material is reflective of market price or not.
  - e. The fact that the Authority found dumping in previous investigations shows that the dumping is not attributable to the technology or level of integration of the domestic industry, but the unfair pricing practices adopted by the foreign producers.
  - f. Contrary to claim of interested parties, the domestic industry has not claimed dumping based on positive price undercutting.
  - g. Section 15(a)(ii) of the Protocol of Accession of China to WTO has expired on 11th December 2016 for considering China PR as a non-market economy while determining the normal value. Therefore, for exporters from China PR, normal value in the current investigation must be determined based on Para (vii) of Annexure II. Any other method will violate India's obligation towards WTO.
  - h. Contrary to claim of interested parties, the domestic industry has not claimed dumping based on positive price undercutting.
  - i. The fact that the Authority found dumping in previous investigations shows that the dumping is not attributable to the technology or level of integration of the domestic industry, but the unfair pricing practices adopted by the foreign producers.

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

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

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

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

- (a) comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or*
- (b) the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6);*

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

34. The Authority notes the contention regarding variation in the reported volume of imports from the subject countries between the earlier findings and the present investigation. The data relied upon in the present investigation is based on updated and verified import records. In any event, minor variation does not alter the overall trend of significant imports nor does it affect the assessment of injury.
35. The Authority notes that the following exporters of the subject goods have filed exporter's questionnaire responses:
  - a. Dow Chemical Thailand Ltd., Thailand (Thailand)
  - b. Dow Chemical International Pvt Ltd, Dubai Branch (Thailand)
  - c. Dow Chemical Pacific (Singapore) Private Limited (Thailand)
  - d. Wanhua Chemical Group Co., Ltd (China)
  - e. Wanhua Chemical (Yantai) Trading Co., Ltd (China)
  - f. Wanhua Chemical (Singapore) Pte., Ltd. (China)

### **G.3.1. Normal Value from China PR**

36. Article 15 of China's Accession Protocol in WTO provides as follows:

*“Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (“Anti-Dumping Agreement”) and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following.*

*(a) In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China based on the following rules:*

*(i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;*

*(ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.*

*(b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.*

*(c) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.*

*(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the non-market economy provisions of subparagraph (a) shall no longer apply to that industry or sector.”*

37. The applicant has cited and relied upon Article 15(a)(i) of China's Accession Protocol. The applicant has claimed that producers in China PR must be asked to demonstrate that market economy conditions prevail in their industry producing the like product with regard to the manufacturing, the production and the sale of the product under consideration. It has been stated by the applicant that in case the responding Chinese producers are not able to demonstrate that their costs and price information are market driven, the normal value should be calculated in terms of provisions of Para 7 and 8 of Annexure- I to the Rules.
38. The Authority notes that none of the cooperating producers from China have claimed market economy treatment in the present case. Accordingly, the normal value has been determined in accordance with Paragraph 7 of Annexure I to the Rules, which states as follows.

*“7. In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted, if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner keeping in view the level of development of the country concerned and the product in question and due account shall be taken of any reliable information made available at the time of the selection. Account shall also be taken within time limits; where appropriate, of the investigation if any made in a similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without unreasonable delay of the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.*

39. The applicant has claimed normal value based on price payable in India, in absence of information required to calculate normal through other methods. The other interested parties have not adduced any other basis, amongst those listed under Paragraph 7 of Annexure I to the Rules, which may form the basis of determination of normal value.
40. As noted above, Paragraph 7 lays down a hierarchy for determination of normal value with respect to non-market economy and provides that normal value shall be determined on the basis of the price or constructed value in a market economy third country or the price from such a third country to other countries, including India or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted, if necessary, to include a reasonable profit margin. In the present case, there is no evidence of price or constructed value prevailing in a market economy third country brought forward by any interested party. Apart from the subject countries in the present investigation, imports into India from other countries are low in volume or are at dumped prices. Thus, imports into India from the market economy third country could not be considered for determination of normal value.

Accordingly, the Authority proposes to determine normal value based on the price payable in India, as stipulated in para 7 of Annexure – I to the AD Rules, 1995, having regard to the cost of production of the applicant, duly adjusted for selling, general and administrative expenses and reasonable profits. The normal value determined is given below in the dumping margin table.

### **G.3.2. Export price for China PR**

#### **Export price for Wanhua Chemical Group Co., Ltd**

41. Wanhua Chemical Group Co. Ltd. is a limited company incorporated and registered under the Company Law of People's Republic of China. During the period of investigation, Wanhua Chemical Group Co. Ltd. has sold \*\*\* MT of subject goods of invoice value \*\*\* RMB indirectly through two related exporters/traders namely, Wanhua Chemical (Yantai) Trading Co. Ltd. and Wanhua Chemical (Singapore) Pte. Ltd. out of which Wanhua chemical Group Co. Ltd. has sold \*\*\* MT indirectly through Wanhua Chemical (Yantai) Trading Co. Ltd. and \*\*\* MT indirectly through Wanhua Chemical (Singapore) Pte. Ltd.
42. It is further noted that the subject goods (\*\*\* MT) sold to Wanhua Chemical (Yantai) Trading Co. Ltd. by Wanhua Chemical Group Co. Ltd. has been ultimately sold to India

indirectly through Wanhua Chemical (Singapore) Pte. Ltd. The producer/exporter has claimed adjustments on account of Ocean freight, insurance, inland transportation, port and other related expense and credit cost, and the same has been accepted after desk verification. Accordingly, the weighted average of net export price at ex-factory level so determined is as shown in the Dumping Margin table below.

**Export price for other producers/exporters in China PR**

43. The export price for all other non-cooperating producers and exporters of China PR has been determined based on facts available and the same is mentioned in the dumping margin table below.

**G.3.3. Normal value for Thailand**

**Normal value for Dow Chemical Thailand Ltd., Thailand**

44. Dow Chemical Thailand Limited (“Dow Thailand”) has submitted its Exporter’s Questionnaire response furnishing the required information. The Authority notes that during the Period of Investigation (“POI”), Dow Thailand sold the subject goods directly to unrelated customers in the domestic market. It is further noted that such domestic sales were made in sufficient quantities.
45. For determination of the normal value, the Authority conducted the Ordinary Course of Trade (“OCT”) test by examining the profitability of domestic sales transactions with reference to the cost of production of the subject goods. Where profit-making transactions constitute more than 80% of total domestic sales, all domestic sales are considered for determination of normal value. However, where profit-making transactions are less than 80%, only the profitable domestic sales are taken into account for determination of normal value. Based on the OCT test, it was found that the proportion of profitable domestic sales was less than 80% and accordingly, only profitable domestic sales have been considered for determination of the normal value.
46. Dow Thailand claimed adjustments on account of inland transportation, credit cost, packing cost and other related expenses. The Authority has allowed the claimed adjustments after due verification and has accordingly determined the normal value at the ex-factory level. The ex-factory normal value so determined is reflected in the dumping margin table below.

**Normal value for other producers/ exporters from Thailand**

47. The normal value for all other non-cooperating producers and exporters of Thailand has been determined based on facts available and the same is mentioned in the dumping margin table below.

**G.3.4. Export price for Thailand**

**Export Price for Dow Chemical Thailand Ltd., Thailand**

48. During the POI, Dow Thailand sold the subject goods to its related exporter, Dow Chemical Pacific (Singapore) Private Limited (“Dow Singapore”). Dow Singapore, in turn, invoiced the subject goods to another related trader, Dow Chemical International Pvt Ltd, Dubai Branch (“DCIPL Dubai”). DCIPL Dubai subsequently sold the subject goods to unrelated customers in India. All the concerned companies have furnished the relevant information in the prescribed formats.
49. It is noted from the responses submitted by Dow Singapore and DCIPL Dubai that the subject goods manufactured and exported by Dow Thailand to India were resold at a loss by the related exporter during the POI. Accordingly, the Authority has made appropriate adjustment for the loss incurred by the related exporter in order to arrive at the net export price. Dow Thailand also claimed adjustments on account of ocean freight, insurance, inland transportation, port-related expenses, credit cost, packing expenses, and other related expenses. These adjustments have been allowed by the Authority after due verification. The ex-factory export price so determined has been reflected in the dumping margin table below.

**Export price for other producers/ exporters in Thailand**

50. The export price for all other non-cooperating producers and exporters of Thailand has been determined based on facts available and the same is mentioned in the dumping margin table below.

**G.3.5. Dumping margin**

51. The normal value, export price and dumping margin determined in the present investigation are as follows. It is seen that the dumping margin for the subject countries is above de minimis, and is significant.

**Dumping Margin Table**

S. No.	Name of Producer	Normal Value/CN V	Export Price	Dumping Margin	Dumping Margin	Dumping Margin
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		(USD/MT)	(USD/MT)	(USD/MT)	(%)	(Range)
<b>China PR</b>						
1.	Wanhua Group Co., Ltd	***	***	***	***	70-80
	Any Other	***	***	***	***	90-100
<b>Thailand</b>						
2.	Dow Chemical Thailand Limited	***	***	***	***	10-20
	Any Other	***	***	***	***	20-30

## **H. ASSESSMENT OF INJURY AND CAUSAL LINK**

### **H.1. Submissions of other interested parties**

52. The following submissions have been made by the other interested parties with regard to injury and causal link:
- a. Imports from China and Thailand have witnessed a decline in the period of investigation when compared to 2023-24 in absolute terms and have witnessed only marginally increased in relative terms, and thus, could not have caused injury. The imports were necessitated to meet the demand.
  - b. Price undercutting is not indicative of dumping but is due to high cost of the domestic industry resulting from obsolete technology and lack of backward integration.
  - c. The increase in cost of sales is contradictory to the sharp decline in price of main raw material, that is propylene oxide.
  - d. The overall profitability of the applicant has declined as per the Annual reports, which demonstrates that broader business factors, and not just imports, may be the cause of injury.
  - e. Imports from other countries such as Saudi Arabia and Singapore were significantly higher than the imports from Thailand during the period of investigation and are likely to have caused injury. Further, despite significant imports from Singapore, the applicants did not timely seek a review of duties from Singapore which has resulted in inflated injury and erroneous causal link.
  - f. The prices of the domestic industry were suppressed as it was unable to cover its high costs which were affected by high raw material prices, and self-inflicted internal disruptions such as acquisition and depreciation burdens.
  - g. The depreciation cost of the domestic industry has increased substantially without any increase in capacity, which is required to be verified.
  - h. Reduced domestic sales of the applicant cannot be attributed solely to import competition as the imports increased in line with increased demand. On the

- contrary, a substantial share of production was diverted towards captive consumption by the domestic industry.
- i. The inability of the applicant to scale production is due to constraints in the availability Propylene Oxide and Ethylene Oxide, and not due to imports.
  - j. The Authority must examine if other factors such as production constraints, limited capacity or any other factor may have caused injury to the domestic industry.
  - k. Disruptions caused due to cyclone Michaung to the applicant's operations during the period of investigation shall be considered when assessing the injury claim.
  - l. Factors such as disruption caused by cyclone "Michaung", environmental clearance challenges, reliance on raw material imports, and reliance on the old KOH method have led to low production, capacity utilisation and productivity.
  - m. Stable profitability, capacity utilisation, uninterrupted operations, and no evidence of plant closures or workforce reductions, have been reflected in the data of the applicant. This is not consistent with an industry under injurious pressure.
  - n. Limited production capacity of the domestic industry as compared with major global players, prevents it from achieving economies of scale, resulting in higher per-unit costs. Further, the applicant is not backward integrated and is dependent on other suppliers for major raw materials. Lastly, the applicant is located at a distance from suppliers of PO and EO, which adds to incompetitiveness.
  - o. Lack of backward integration forces the domestic industry to procure raw materials from third-party, increasing production costs and contributing to its poor performance, as also
  - p. There is no basis for consideration of a high return of 22% on the capital employed for computation of non-injurious price, which is inconsistent with Annexure III. Reliance is placed on decision of the CESTAT in the case of Bridge Stone Tyre Manufacturing, wherein it was held that adoption of 22% return was incorrect as it gives an inflated picture of the injury margins.
  - q. Any injury suffered by the domestic industry is attributable to factors other than subject imports, including significant imports from non-subject countries such as Singapore, obsolete production technology, higher raw material costs and lack of scale. The causal link between alleged dumping from China and Thailand and the claimed injury is therefore not established.

## **H.2. Submissions of the domestic industry**

53. The following submissions have been made by the domestic industry with regard to the injury and causal link:
  - a. The provision for cumulative assessment under the Rules is a mandatory provision and the conditions set therein are met in the present case.

- b. The volume of subject imports has increased significantly over the injury period, in absolute terms as well as in relation to Indian production and consumption. Despite decline in volumes of imports in the period of investigation, the volume of imports has remained significant.
- c. The rate of increase in imports has outpaced the rate of increase in demand in the country. In fact, the subject imports are in excess of the demand-supply gap in the country.
- d. The landed price of the subject imports has declined sharply over the injury period, despite no material change in the price of major raw material, propylene. As against a decline of 6% in the global import price of propylene oxide, the landed price declined by 44%.
- e. The mark-up of landed prices over raw materials has declined over the injury period.
- f. The subject imports were undercutting the prices of the domestic industry.
- g. The subject imports suppressed and depressed the prices of the domestic industry.
- h. The costs of the domestic industry in absolute terms have declined, including fixed costs and cost of utilities. However, due to dumping, the production has reduced, and as a result, the per unit cost is higher.
- i. The volume of imports have increased in the post-POI period, while the prices of such imports have declined further.
- j. The sales of the domestic industry declined significantly due to increasing demand for low-priced subject imports. As a result, the domestic industry was forced to curtail its production and its production volumes declined.
- k. The decline in domestic sales is directly related to increase in dumped imports from all sources.
- l. While the captive consumption of the domestic industry increased over the period, such consumption was less than 3% and 4% in relation to production and sales of the domestic industry respectively.
- m. Despite a demand-supply gap, the domestic industry was operating at less than 50% capacity utilization during the period of investigation.
- n. Contrary to the claim that the domestic industry not shown any improvement despite duties, the domestic industry was unable to increase capacities due to continuous onslaught of dumped imports.
- o. The domestic industry is not required to show improvement in performance in face of unfair dumping. Dumping that is an unfair pricing practice, and the domestic industry cannot be expected to take steps to offset such pricing practices.
- p. As the demand for dumped imports increased over the period, the market share of the subject imports also increased, while the market share of the domestic industry was woefully low.

- q. The domestic industry faced significant accumulation inventories, which increased by 637% over the injury period.
- r. Since 2022-23, the domestic industry has been incurring significant financial losses including cash losses, and has earned negative returns on its investment.
- s. Injury to the domestic industry has not been caused by any other factor.
- t. With respect to claim that the domestic industry is not backward integrated, the applicant cannot be faulted for not having a backward integrated plant since the same would require a multi-million investment for setting up a refinery, which is not feasible.
- u. Injury to the domestic industry must be examined as it exists and factors inherent to the industry cannot be considered as causing injury, as held by the Appellate Body in EU – Biodiesel (Argentina), in the case of Nippon Zeon Co. Ltd. vs. Designated Authority, and accepted by the Authority in various investigations.
- v. The subject imports must be one of the causes of injury and not the only cause of injury, as held in EC – Tubes and Pipes, U.S. – Hot-Rolled Steel Products and U.S. – Salmon.
- w. Imports from Singapore are priced higher than the subject imports. The landed price of imports from Singapore, after accounting for anti-dumping duty, did not undercut the prices of the domestic industry during the period of investigation. Thus, such imports did not cause injury to the prices of the domestic industry during the period of investigation.
- x. Despite adjusting the total capacity in the injury analysis for removing the effects of shutdown caused due to cyclone, the domestic industry faced significantly underutilized capacities. Further, since variable costs account for more than 80% of the total cost, increased costs due to shut down could not have caused injury to the domestic industry.
- y. The depreciation cost allocated to the subject goods has changed due to change in allocation methodology. However, such cost account for only 1-3% of the total cost and thus, could not have caused injury to the domestic industry
- z. The EBIDTA of the domestic industry has also declined over the injury period, which indicates that injury to the domestic industry is not due to increase in depreciation cost.
- aa. Performance of the domestic industry in other products is irrelevant in an anti-dumping investigation as per para (vi) of Annexure II.
- ab. The major reason for decline in the overall profitability of the company was sharp increase in cheap imports which eroded the market share of the applicant.
- ac. Contrary to the arguments of the other interested parties, the domestic industry did not face any raw material supply shortage.
- ad. Even if the domestic industry arguendo faced shortage of raw material, it does not explain the price pressure faced by the domestic industry.

- ae. While the other interested parties have claimed allowing a 22% return for determination of non-injurious price is not reasonable, they have provided the return which should be allowed. Considering the reliance on the practice of European Commission and the decision of CESTAT in case of Bridge Stone Tyre Manufacturing, the Authority should allow return earned by the domestic industry in the past when it was unaffected by dumping, which was higher than presently considered.
- af. As held by the Tribunal in Tangshan Sanyou Group Hong Kong International Trade Co. Ltd. vs. Union of India, in absence of evidence showing a different return should be allowed, a 22% return is justified as this rate has been consistently applied by the Authority in numerous cases.
- ag. While the other interested parties have referred to the practice of the European Commission, they have failed to highlight that the Commission determines fair selling price based on total cost of production without any adjustments as opposed to the practice of the Authority.

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

- 54. Rule 11 of Antidumping Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, "... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on the domestic producers of such articles...". In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Anti-Dumping Rules.
- 55. The Authority has examined the arguments and counterarguments of the interested parties with regard to injury to the domestic industry. The analysis made by the Authority hereunder addresses the various submissions made by the interested parties.

#### **H.3.1. Cumulative assessment of injury**

56. Article 3.3 of the WTO agreement and para (iii) of 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, in case it determines that:
- a. The margin of dumping established in relation to the imports from each country is more than two per cent expressed as a percentage of export price and the volume of the imports from each country is three per cent (or more) of the import of like article or where the export of individual countries is less than three per cent, the imports collectively account for more than seven per cent 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.
57. The Authority notes that:
- a. The subject goods are being dumped into India from the subject countries. The margin of dumping from each of the subject countries is more than 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 imports 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.
58. In view of the above, the Authority considers that it is appropriate to assess the effect of dumped imports of the subject goods from China PR and Thailand on the domestic industry.

### **H.3.2. Volume effect of the dumped imports**

#### **a)Assessment of demand / apparent consumption**

59. The Authority, has defined, for the purpose of the present investigation, demand or apparent consumption of the product in India as the sum of domestic sales of the domestic industry and imports from all sources. The demand so assessed is given in the table below.

<b>Particulars</b>	<b>Unit</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>POI</b>
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Excluding Captive					
Sales of domestic industry	MT	***	***	***	***
Trend	Indexed	100	99	81	44
Imports from subject countries	MT	22,540	40,530	46,101	30,733
Imports from other countries (including countries attracting ADD)	MT	77,026	79,146	94,975	1,18,040
Total demand	MT	***	***	***	***
Trend	Indexed	100	117	132	133
Including Captive					
Sales of domestic industry	MT	***	***	***	***
Trend	Indexed	100	100	82	45
Imports from subject countries	MT	22,540	40,530	46,101	30,733
Imports from other countries	MT	77,026	79,146	94,975	1,18,040
Total demand	MT	***	***	***	***
Trend	Indexed	100	117	132	133

60. The Authority notes that the demand for the subject goods in India has increased year on year over the injury period and was the highest in the period of investigation.

**b) Import Volumes from the subject countries**

61. With regard to the volume of the imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of injury analysis, the Authority has relied on the transaction-wise import data procured from DG Systems data. The import volumes from the subject countries during the injury period are as follows:

Particulars	Unit	2021-22	2022-23	2023-24	POI
Imports from subject countries	MT	22,540	40,530	46,101	30,733
China PR	MT	5,734	21,134	18,354	14,563
Thailand	MT	16,806	19,395	27,748	16,169
Imports from other countries	MT	77,026	79,146	94,975	1,18,040
Total Imports	MT	99,566	1,19,675	1,41,076	1,48,773

Subject imports in relation to					
Domestic production	%	***	***	***	***
Trend	Indexed	100	181	240	231
Consumption/Demand	%	***	***	***	***
Trend	Indexed	100	154	155	103
Total imports	%	23%	34%	33%	21%

62. The Authority notes that:

- i. The volume of imports from the subject countries has increased over the injury period. The volume of imports increased from the base year to 2023-24, and thereafter declined in the POI.
- ii. Imports in relation to production in India increased significantly over the injury period, despite a marginal decline in the POI
- iii. Imports in relation to consumption in India increased till 2023-24 but declined in the period of investigation.
- iv. The share of subject imports in total imports increased to 34% in 2022-23 and remained almost the same in 2023-24. Thereafter, the share of subject imports in total imports declined in the period of investigation.

### H.3.3. Price effect of the dumped imports

63. In terms of Annexure II (ii) of the Rules, with regard to the effect of the dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

#### a) Price undercutting

64. Price undercutting has been determined by comparing the net sales realization of the domestic industry with the landed price of the imports for the period of investigation.

Particulars	Unit	POI
Net sales realization	₹/MT	***
Landed price	₹/MT	***
Price undercutting	₹/MT	***
Price undercutting	%	***
Price undercutting	Range	15-25%

65. The Authority notes that the subject imports are priced significantly below the selling price of the domestic industry. The price undercutting from the subject countries is positive and significant.

**b) Delta of landed price over raw material cost of domestic industry**

66. The domestic industry has claimed that despite any significant fluctuation in the cost of raw materials, the landed price has continued to decline and was even lower than the cost of materials. The landed price of imports has declined by 43% during this period. Further, while the subject imports were priced significantly above the raw material cost of the domestic industry in 2021-22, the delta has reduced significantly. In the period of investigation, the subject imports were priced below the cost of raw materials of the domestic industry.

Particular	Unit	2021-22	2022-23	2023-24	POI
Raw Material Cost	₹/MT	***	***	***	***
Landed Price	₹/MT	1,82,636	1,36,745	1,09,777	1,04,720
Mark up	₹/MT	***	***	***	***
Mark up	Range	60-70%	10-20%	0-10%	(0-10)%

**c) Price suppression/depression**

67. In order to determine whether the dumped imports are depressing the domestic prices to a significant degree or whether the effect of such imports is to suppress price to a significant degree or prevent price increase which otherwise would have occurred in normal course, the Authority has examined the changes in the costs and prices of the domestic industry over the injury period.

Particulars	Unit	2021-22	2022-23	2023-24	POI
Cost of sales	₹/MT	***	***	***	***
Trend	Indexed	100	108	98	117
Selling price	₹/MT	***	***	***	***
Trend	Indexed	100	69	64	66
Landed price	₹/MT	1,82,636	1,36,745	1,09,777	1,04,720
Trend	Indexed	100	75	60	57

68. The Authority notes that in 2022-23, the cost of sales increased. However, the selling price of the domestic industry declined due to sharp decline in the prices of subject imports. Thereafter, the cost of sales and selling prices of the domestic industry and landed prices of imports have declined. The decline in landed prices was higher than the decline in cost of sales of the domestic industry. During the period of investigation, the cost of sales increased by about 20%, whereas the selling price increased only marginally by about 3–4%, even as the landed price of imports continued to decline. An examination of the trends from the base year shows that while the cost of sales of the domestic industry has increased, the selling price of the domestic industry has declined by 34% pursuant to the decline in the landed prices by 43%. It is, therefore, noted that the imports have depressed the prices of the domestic industry and prevented price increases, which otherwise would have occurred.

**H.3.4. Economic parameters of the domestic industry**

69. Annexure II to the Anti-Dumping Rules require that the determination of the injury shall involve an objective examination of the consequent impact of dumped imports on the domestic producers of the subject goods. With regards to the consequent impact of these imports on the domestic producers of subject goods, the Rules further provide that the examination of the impact of the dumped imports on the domestic industry would include an objective 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, actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. Accordingly, performance of the domestic industry has been examined over the injury period.

**a) Production, capacity, capacity utilization and sales volumes**

70. The capacity, production, sales and capacity utilisation of the domestic industry over the injury period were as below.

Particulars	Unit	2021-22	2022-23	2023-24	POI
Installed Capacity	MT	***	***	***	***
Trend	Indexed	100	100	100	100
Available Capacity	MT	***	***	***	***
Trend	Indexed	100	100	100	86
Production	MT	***	***	***	***

Trend	Indexed	100	99	85	59
Production (PUC+NPUC)	MT	***	***	***	***
Capacity utilization*	%	***	***	***	***
Trend	Indexed	100	94	102	65
Domestic Sales	MT	***	***	***	***
Trend	Indexed	100	99	77	49
Export sales	MT	***	***	***	***
Trend	Indexed	100	37	25	12
Captive Consumption	MT	***	***	***	***
Trend	Indexed	100	181	296	364

71. The Authority notes that:
- a. The installed capacity of the domestic industry has remained stable throughout the injury period.
  - b. The production and sales of the domestic industry have declined over the injury period. As a result of significant decline in the sales of the domestic industry, the domestic industry was forced to curtail its production.
  - c. The capacity utilisation has also declined significantly over the injury period. During the period of investigation, the domestic industry was operating with only half of its capacities.
72. It has also been argued that decline in production is linked to plant shutdown faced due to cyclone. The domestic industry submits that it has faced significant underutilized capacities despite adjusting the total capacity for removing the effects of the plant shutdown. The Authority notes that the domestic industry has submitted data after excluding the impact of the plant shutdown due to cyclone. Even after excluding the impact, the capacity utilization of the domestic industry is less than 50%. Therefore, a decline in the performance in the period of investigation cannot be attributed to the plant shutdown.
73. Further, it has been argued that the captive consumption of the subject goods has increased, however the domestic sales of the domestic industry has declined. In this regard, the Authority notes the volume of captive consumption has remained low and accounted for a negligible share as compared to the total production volume and total volume of domestic sales of the domestic industry.

**b) Market share**

74. Market share of the imports and domestic industry is given in the table below:

Particulars	Unit	2021-22	2022-23	2023-24	POI
Market Share excluding captive					
Domestic industry	%	***	***	***	***
Trend	Indexed	100	87	62	31
Subject imports	%	***	***	***	***
Trend	Indexed	100	153	153	105
Other imports	%	***	***	***	***
Trend	Indexed	100	88	94	115
Market Share including captive					
Domestic industry*	%	***	***	***	***
Trend	Indexed	100	87	62	31
Subject imports	%	***	***	***	***
Trend	Indexed	100	153	153	105
Other imports	%	***	***	***	***
Trend	Indexed	100	88	94	115

75. The Authority notes that the market share of the domestic industry has declined over the injury period. However, the market share of subject imports in the POI is broadly comparable to the base year.

**c) Inventories**

76. Inventory position of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2021-22	2022-23	2023-24	POI
Opening Inventory	MT	***	***	***	***
Closing Inventory	MT	***	***	***	***
Average Inventory	MT	***	***	***	***
Trend	Indexed	100	89	247	737

77. The Authority notes that the inventories of the domestic industry have increased significantly over the injury period, reflecting the adverse impact on the domestic industry.

**d) Profitability, cash profits and return on capital employed**

78. Performance of the domestic industry has been examined in respect of profits, cash profits and return on capital employed.

Particulars	Unit	2021-22	2022-23	2023-24	POI
Cost of sales	₹/MT	***	***	***	***
Trend	Indexed	100	108	98	117
Selling price	₹/MT	***	***	***	***
Trend	Indexed	100	69	64	66
Profit / (loss)	₹/MT	***	***	***	***
Trend	Indexed	100	-30	-22	-63
Profit / (loss)	₹ Lacs	***	***	***	***
Trend	Indexed	100	-30	-17	-28
Cash profits	₹ Lacs	***	***	***	***
Trend	Indexed	100	-25	-14	-23
Return on capital employed	%	***	***	***	***
Trend	Indexed	100	-50	-41	-68

79. The Authority notes the following:

- a. The domestic industry earned sufficient profits during till 2021-22. However, the profitability of the domestic industry declined in 2022-23. The domestic industry suffered significant losses due to a sharp decline in selling prices, even as costs increased.
- b. During the period of investigation, the profitability of the domestic industry deteriorated as compared to the base year.
- c. The domestic industry has also suffered deterioration in cash profits over the period.
- d. The domestic industry has faced a significant decline in its return on capital employed. The return on capital employed, which was healthy in 2021–22, turned negative in 2022–23 and remained negative thereafter, further declining in the period of investigation.

80. With regard to the submissions by the other interested parties that losses in past investigation have been converted to profits in present investigation, it is noted that during the POI (Oct, 2021 to Sep, 2021) of the previous investigation, an important ingredient namely, propylene oxide, which was used for manufacture of PUC was

procured domestically from related party (at arm’s length price) and also produced captive. The methodology for transfer price during the previous injury period was based on domestic procurement (i.e., from related party at arm’s length price). This resulted in higher raw material price, leading to higher cost of sales and consequential losses for PUC. The same practice was followed for all the four years of injury period for even comparison. However, since the input raw material was considered at market price, no capital employed for such captive input was provided for determining return on capital employed. In the present investigation period, during POI (Oct, 2023 to Sep, 2024), the domestic industry manufactured propylene oxide captive and same was transferred at cost. Therefore, for the whole current injury investigation period, (which also includes the common FY 2021-22 with previous investigation period), same practice was required to be followed for even comparison. Thus, the transfer price for the captive input, namely, propylene oxide, is considered at cost for ascertaining the cost of production of the PUC. Further, capital employed for such captive input has been added to the capital employed for PUC for allowing return on capital employed.

**e) Employment, productivity and wages**

81. The Authority has examined the information relating to employment, wages and productivity, as given below:

Particulars	Unit	2021-22	2022-23	2023-24	POI
Employees	Nos.	***	***	***	***
Trend	Indexed	100	100	100	100
Productivity per day	MT/Day	***	***	***	***
Trend	Indexed	100	99	85	59
Productivity per employee	MT/Nos	***	***	***	***
Trend	Indexed	100	100	100	100
Wages	₹ Lacs	***	***	***	***
Trend	Indexed	100	104	42	88

82. The Authority notes that the number of employees and productivity per employee have remained unchanged over the injury period. However, productivity per day declined over the injury period. While wages increased marginally in 2022-23, they declined thereafter and remained below the base year level in the POI. The domestic industry has not claimed injury on this account

**f) Growth**

Particulars	Unit	2021-22	2022-23	2023-24	POI
Installed Capacity	%	-	-	-	-
Production	%	-	-1%	-14%	-31%
Domestic sales	%	-	-1%	-19%	-46%
Profit / (loss) per unit	%	-	-130%	-29%	193%
Cash profits	%	-	-125%	-45%	65%
Return on capital employed	%	-	-150%	-19%	67%

83. The Authority notes:

- a. The capacity of the domestic industry has not shown any change over the injury period.
- b. The domestic sales have shown a negative growth.
- c. The profitability parameters have shown significant negative growth as the domestic industry have continued to face losses and earned negative returns.

**g) Factors affecting prices**

84. It is noted that the domestic industry has not been able to increase its prices in relation to the increase in cost of sales. The subject imports have forced the domestic industry to sell the goods below its costs. Further, the subject imports have significantly undercut the domestic prices, creating a strain on the prices of domestic industry, which has resulted in a decline in profitability and return on capital employed. Thus, the subject imports have affected the prices of the domestic industry.

**h) The magnitude of dumping**

85. The Authority notes that the subject goods are being dumped in India from the subject countries. The dumping margin is positive and significant.

**I. NON-ATTRIBUTION ANALYSIS AND CASUAL LINK****Non-attribution analysis**

86. Having examined the existence of injury, volume and price effects of dumped imports on the prices of the domestic industry, the Authority has examined whether injury to the

domestic industry can be attributed to any factor, other than the dumped imports, as listed under the Rules.

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

87. It is noted that the subject goods are being imported in significant quantities from other countries such as Saudi Arabia, Singapore, USA, Japan, Korea, Taiwan. The Authority notes that it is currently undertaking a sunset review of anti-dumping duty being conducted against imports from Saudi Arabia. Moreover, imports from other countries, including Singapore, are priced higher than the prices from the subject countries.

88. Certain interested parties have argued that imports from Singapore have caused injury to the domestic industry and not the subject goods. As per the data on record, the prices of imports from Singapore are higher than the price of subject imports.

**b. Contraction in demand**

89. The demand for the subject goods has increased over the injury period and was the highest during the period of investigation. The domestic industry has not suffered injury due to possible contraction in demand.

**c. Pattern of consumption**

90. There has been no material change in pattern of consumption of the product under consideration, which could have caused injury to the domestic industry.

**d. Conditions of competition and trade restrictive practices**

91. The Authority notes that there are no trade restrictive practices or conditions of competition, which may have cause injury to the domestic industry.

**e. Developments in technology**

92. There has been no change in technology for production of the subject goods, due to which the domestic industry could have suffered injury.

**f. Productivity**

93. The Authority notes that the productivity per employee of the domestic industry has more or less remained constant. Therefore, the domestic industry has not suffered injury on this account.

**g. Export performance of the domestic industry**

94. The injury information examined hereinabove relates only to the performance of the domestic industry in terms of its domestic market. Thus, the injury suffered cannot be attributed to the export performance of the domestic industry.

**h. Performance of other products**

95. The injury suffered cannot be attributed to the performance of other products of the company, as the domestic industry has segregated and provided information with regard to the like article only.

**i. Plants of domestic industry not backward integrated and use of obsolete technology**

96. With regards to the submissions that the injury to the domestic industry has been caused due to its own inefficiencies such as lack of backward integration in plants, usage of obsolete technology and depreciation burdens, the Authority notes that the such factors are inherent to the industry and has remained unchanged. Thus, it cannot be said that such factors have now started causing injury to the domestic industry.

**j. Impact of Michaung cyclone**

97. It has been argued by certain interested parties that the domestic industry may have suffered injury due to shutdowns suffered on account of Michaung Cyclone in the region. It is noted that the domestic industry segregated the impact of shutdown faced due to cyclone, and has reduced its available capacities in order to remove the impact of such shutdown. However, despite making adjustment to the capacity to offset the impact of cyclone-related shutdown, the domestic industry has faced significant underutilization and its production continues to decline as its sales also declined continuously.

**Factors establishing causal link**

98. While other known factors listed under the Rules have not caused injury to the domestic industry, the Authority notes that the following parameters show that injury to the domestic industry is caused by the dumped imports.
- i. There is significant dumping of the subject goods from the subject countries.
  - ii. The volume of dumped imports has increased over the injury period.
  - iii. The volume of imports has also increased in relation to Indian consumption and production.
  - iv. The increase in dumped imports adversely affected the ability of the domestic industry to sell its goods in the market at remunerative prices and the subject imports continued to undercut the domestic prices. It is also noted that the domestic industry has suffered price depression, and suppression on account of imports of subject goods from subject countries.

- v. As a result, the market share of the domestic industry declined over the injury period, while imports increased significantly in the intervening years and remained substantial during the period of investigation.
- vi. The production and sales volume of the domestic industry have declined over the injury period.
- vii. The domestic industry faced significant accumulation of inventories as it was unable to sell its product in the market.
- viii. The domestic industry has suffered losses and cash losses.
- ix. The domestic industry is not able to earn sufficient returns on the investments made and it earned negative returns on its investment.

**J. MAGNITUDE OF INJURY MARGIN**

99. The Authority has determined the non-injurious price for the domestic industry on the basis of the principles laid down in the Rules read with Annexure III, as amended. The non-injurious price of the subject goods has been determined by adopting the verified information/data relating to the cost of production for the period of investigation.
100. The non-injurious price has been considered for comparing the landed price from the subject countries for calculating the injury margin. For determining the non-injurious price, the best utilisation of the raw materials, the utilities and the production capacity by the domestic industry over the injury period have been considered. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on the average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules and is being followed.
101. Based on the landed price and non-injurious price determined as above, the injury margin for producers/exporters has been determined by the Authority and the same is provided in the table below: -

SN	Name of Producer	NIP	Landed Price	Injury Margin	Injury Margin	Injury Margin
		USD/M	USD/MT	USD/M	%	Range
	<b>China PR</b>					
1.	Wanhua Group Co., Ltd	***	***	***	***	10-20

2.	Any Other	***	***	***	***	20-30
<b>Kingdom of Thailand</b>						
3.	Dow Chemical Thailand Limited	***	***	***	***	0-10
4.	Any Other	***	***	***	***	10-20

**K. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES**

**K.1. Submissions by other interested parties**

102. The other interested parties have made the following submissions with regard to the Indian industry's interest:

- a. Imposition of duties is not in public interest as the domestic industry is not capable of catering to entire demand, making users dependent on imports.
- b. Considering the significant supply-deficit, and lack of technological advancement, imports are critical for industry stability.
- c. Imposition of duty would increase costs for downstream users, creating supply uncertainty, discouraging long-term contracts and investment, and limiting access to advanced materials and technology, thereby adversely affecting consumers.

Particulars	Unit	Calculation				
<b>Polyol CIF Price \$1300</b>						
If ADD per tonne taken as-	\$/MT	50	100	150	200	250
Price Including ADD	\$/MT	1,350	1,400	1,450	1,500	1,550
Price Including ADD(Exchange Rate 83.5)	Rs/MT	1,12,725	1,16,900	1,21,075	1,25,250	1,29,425
Landed price including ADD	Rs/MT	1,21,225	1,25,400	1,29,575	1,33,750	1,37,925
Contribution of Polyol to Foam Cost	Rs/MT	78,796	81,510	84,224	86,938	89,651
Net Contribution adjusting for Yield Loss	Rs/MT	98,495	1,01,888	1,05,280	1,08,672	1,12,064

Foam per mattress	Kg	12.20	12.20	12.20	12.20	12.20
Cost Contribution	Rs	1,202	1,243	1,284	1,326	1,367
Cost of Polyol ADD per mattress	Rs	41	83	124	165	207
Impact on retail sales(3x)	Rs	124	248	372	496	620

<b>Particulars</b>	<b>Unit</b>	<b>Calculation</b>				
If ADD per tonne taken as-	\$/MT	300	350	400	450	500
Price Including ADD	\$/MT	1,600	1650	1,700	1,750	1,800
Price Including ADD	Rs/MT	1,33,600	1,37,775	1,41,950	1,46,125	1,50,300
Landed price including ADD	Rs/MT	1,42,100	1,46,275	1,03,220	1,54,625	1,58,800
Contribution of Polyol to Foam Cost	Rs/MT	92,365	95,079	97,793	1,00,506	1,03,220
Net Contribution adjusting for Yield Loss	Rs/MT	1,15,456	1,18,848	1,22,241	1,25,633	1,29,025
Foam per mattress	Kg	12.2	12.2	12.2	12.2	12.2
Cost Contribution	Rs	1,408	1,449	1,491	1,532	1,573
Cost of Polyol ADD per mattress	Rs	248	290	331	372	414
Impact on retail sale(3x)	Rs	745	869	993	1,117	1,241

- d. Imposition of duties on FSP subsequent to recommendation of duties on TDI would cause a huge burden on the downstream users, which the MSME users cannot absorb.
- e. The applicant has underestimated the impact of proposed duties by considering a Rs. 20,000 mattresses, which does not reflect the price realities of the mainstream Indian mattress segment.
- f. Majority of mattresses, particularly those produced by MSMEs, fall within the 6,000 to 8,000 price range and for this segment, even a moderate increase in the cost of FSP would result in increased costs.
- g. The downstream industry largely constitutes of MSME manufacturers. While Sheela Foam claimed that there are 20-25 major manufacturers, there was no reference as to the nature of such enterprises.
- h. The applicant cannot demand that MSMEs demonstrate actual closures before their adverse impact is acknowledged.
- i. While the petitioner relies on "Make in India" policy to justify protection for its own operations, it simultaneously disregards the same when it comes to the MSME-dominated downstream sector.
- j. The imports are necessary to meet the demand-supply gap as the domestic industry does not have capacity to cater to the existing demand in the country.
- k. Imposition of anti-dumping duty is not in public interest as it would sharply increase the production costs of the user industry, squeeze already thin margins, and risk losses, production cuts, or shutdowns across downstream sectors.
- l. Downstream manufacturers already face high cost from duty on key inputs, making additional duty on FSP unsustainable.
- m. Imposition or continuation of anti-dumping duties is against public interest, as the domestic industry lacks the capacity to meet even a fraction of Indian demand, making imports indispensable. Duties would adversely impact downstream industries, increase costs, create supply uncertainty and harm competitiveness without yielding commensurate economic benefit.
- n. Imposing anti-dumping duties on imports of Flexible Slabstock Polyol from China PR would be contrary to public interest. Flexible Slabstock Polyol is a critical input for MSME-dominated downstream industries such as mattresses, furniture, automotive interiors, and footwear; any increase in input costs would erode competitiveness, raise consumer prices, and affect employment. The NITI Aayog High-Level Committee has cautioned that cost-increasing measures on essential raw materials harm MSME-dominated sectors.
- o. The petitioner, as the sole domestic producer, lacks the capacity and technological capability to meet India's growing demand, resulting in a persistent supply deficit. Duties would create artificial scarcity, confer monopolistic control on the petitioner and expose downstream users to serious supply and pricing risks.

- p. Continued protection would make the duties permanent, harming consumers without providing any incentive for the Domestic Industry to improve its competitiveness. The Ministry of Finance’s recent decision not to impose duties in the previous investigation further underscores that continued protection is not in the public interest.

**K.2. Submissions by the domestic industry**

103. The domestic industry has made the following submissions with regard to the Indian industry’s interest:

- a. Imposition of duties will have a negligible impact on the cost of downstream users and end users. For a mattress priced at Rs. 20,000, imposition of duties to the extent of current duties would have an impact of only 0.6%. Further, with respect to mattress of Rs. 6,000, the impact would be only 0.71%.
- b. The total impact of proposed duties on FSP and TDI, major raw materials for foam, would be only 2.4%. For a mattress of Rs. 6,000, the total impact of the proposed duties would be only Rs. 144 per mattress.
- c. The domestic industry has further submitted that in general, a standard sized mattress used in India is approximately 72 x 48 x 6 inches, weighs around 30 kilograms and is available at an average price of ₹ 20,000. For producing one such mattress, a total of 32 kilograms per metre cube density foam is used, which in turn requires approximately 6 kilograms of FSP. At present, the landed price of FSP from the subject countries is ₹ 98 per Kg. Therefore, the cost of FSP used for manufacturing a mattress priced at ₹ 20,000 is around Rs. 589. In such a scenario, an increase of ₹ 20 per Kg (current duty on Saudi) in the price of FSP would have a very negligible impact of 0.63% on the price of FSP for the downstream users.

Price of one mattress	₹/u	A	20,000	6,000
Weight	KG/u	B	30	10
FSP consumed in 1 mattress	KG/u	C	6	2
Current price of FSP	₹/KG	D	104	104
Cost of FSP in 1 mattress	₹/KG	$E = D * C$	624	208
Current duty on FSP	\$/MT	F	253	253
Current duty on FSP	₹/KG	$G = (F * 84.27) / 1000$	21	21
Impact of proposed ADD	₹/kg	$H = G * C$	126	42

Impact of proposed add	%	$I = H / A$	0.63%	0.71%
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- d. The impact of duties calculated on behalf of users is highly inflated as it relies on inaccurate CIF price, applicable customs duty and consumption factor. Further, the impact has been calculated on the margin of the users and not the cost of such users.
- e. The foam industry is a pass-through industry and the impact of imposition of duties would invariably be passed on to the mattress industry.
- f. Imposition of duties would be not be disadvantageous for the users as even after imposition of duties, the import price would still be lower than the normal value in the domestic market of the subject countries.
- g. The profitability of the users has not been impacted by imposition of duties on imports from other countries.
- h. While the users are claiming themselves to be MSMEs, certain users have earned bumper profits, which is more than double the revenue that the domestic industry is able to gain from sales of the product.
- i. Contrary to its claims, the Users' Association has not provided details regarding its members, number of members that are in the MSME sector or consumption share of such MSME producers in the total consumption
- j. An increase in prices will not impact the demand of the product since the demand for FSP remained significant even when the prices were high in 2021-22.
- k. The domestic industry is currently in the process of expanding its capacity, which is currently under threat. There is a need to protect the sole producer of the subject goods in the country.
- l. Contrary to the claim that imports are necessary to meet the demand-supply gap, the dumped imports are entering the market in excess of any demand-supply gap.
- m. It has been a well settled principle that imports are inevitable where there is a demand-supply gap, but the same cannot be a justification for dumping.
- n. While the domestic industry is seeking re-establishment of fair market conditions, the users are demanding availability of imports at unfair prices. If the operations of users cannot survive based on imports at fair prices, it underlines the inefficiency of their operations.
- o. The product can be imported from other countries like Japan, Korea, Singapore, Taiwan and United Status and at fair prices from the subject countries.
- p. Propylene oxide is majorly used in production of FSP by the applicant and non-imposition of duties will adversely impact the viability of propylene oxide operations as well.

- q. Non-imposition of duties will force the applicant to permanently shut down operations for FSP and shift to other products.
- r. Non-imposition of duties will make users completely reliant on subject imports creating a monopoly of the subject imports. In such a situation, the exporters can take advantage of the monopoly situation and exploit the users in order to maximize profits.
- s. Imposition of duties would contribute to the Make in India Policy of the Government, by supporting the sole producer in the country.

**K.3. Examination by the Authority**

104. The Authority notes that the primary objective of anti-dumping duties is to rectify the injury inflicted upon the domestic industry by the unjust trade practices of dumping, thereby fostering an environment of open and equitable competition in the Indian market. This is not merely a regulatory measure, but a matter of national interest. The imposition of anti-dumping measures is not designed to curtail imports from the subject countries arbitrarily. Rather, it is a mechanism to ensure a level playing field. The Authority acknowledges that the persistence of anti-dumping duties may influence the price levels of the product in India. However, it is crucial to note that the essence of fair competition in the Indian market will remain unscathed by the imposition of these measures. Far from diminishing competition, the imposition of anti-dumping measures serves to prevent the accrual of unfair advantages through dumping practices. It safeguards the consumers' access to a broad selection of the subject goods. Thus, anti-dumping duties are not a hindrance but a facilitator of fair-trade practices.
105. The Authority issued the initiation notification, inviting views from all interested parties including importers, users and consumers. An Economic Interest Questionnaire was also prescribed to allow various stakeholders, including the domestic industry, producers/exporters and importers/users/consumers to provide relevant information concerning the present investigation, including the possible effect of anti-dumping duty on their operations.
106. The domestic industry has emphasized that the imposition of duty does not restrict imports but only ensures fair prices. Even otherwise, the subject goods are also produced in a number of non-subject countries, such as Singapore USA, Japan, Korea. Therefore, the users are free to source the subject goods from the domestic industry and from other countries at competitive prices.
107. The other interested parties have argued that the domestic industry has underestimated the impact of proposed duties by considering a Rs 20,000 mattresses, whereas majority

of mattresses fall within Rs 6,000 to 8,000. If the duties are allowed, it would be severely detrimental to the downstream users, who would significantly suffer. Contrary to this, the domestic industry has submitted that the imposition of duties will have a negligible impact of 0.6% for a mattress priced at Rs 20,000 and 0.71% for a mattress priced at Rs 6,000. Therefore, in either of the case, the impact of the duties will be negligible on the prices of the mattresses.

108. The Authority has noted the submissions made by all parties. The Association has submitted that 12.2 kg of the product under consideration is consumed per piece of mattress. Considering the import price of US \$ 1300, it implies that the product under consideration constitutes about 20% of the mattress price sold for Rs. 6000 (and 15% for a mattress sold for 8000). The Authority, therefore, finds that if the cost on account of the product under consideration is only 15-20% for a mattress, a 10%, 20% or 30% increase in the price shall be in the region of only 1.5%-6%. Further, the Authority notes that the present investigation is a sunset review investigation and the interested parties have not provided evidence showing increase in the price of the product under consideration as a result of imposition of the present anti-dumping duties. Table below shows impact of price increase in a mattress sold for Rs. 6000.

Particulars	Unit	Remarks	Value
CIF Price of Polyol	US\$/MT	A	1,300
Net contribution of polyol in foam	Rs./kg	B =	95
Foam used per mattress	Kg	C	12.2
Cost of polyol in a mattress	Rs./kg	D = C*B	1,160
Price of mattress	Rs.	E	6,000
Share of polyol in a mattress	%	F = D/E	19%
Impact of 10% ADD on price of mattress	%	F*10%	1.9%
Impact of 20% ADD on price of mattress	%	F*20%	3.8%
Impact of 30% ADD on price of mattress	%	F*30%	5.7%

109. Having examined the information submitted by domestic industry and the interested parties, the Authority notes that imposition of the anti-dumping duty would have a negligible impact on the downstream users.
110. Some interested parties have contended that the imports are inevitable due to the demand-supply gap in India and they would be forced to pay higher price for the imports. The Authority notes that the demand-supply gap is not a justification for

dumping in India. Even if there is a demand-supply gap in the country, it is necessary that the product is available at fair prices. The imposition of the anti-dumping duty will not hamper the availability of the product under consideration but will ensure that the same is available at the fair prices. In fact, the re-establishment of fair competition in the market may encourage further investment, which would help further bridge the demand-supply gap. Further, it is noted that the domestic industry has provided evidence in the form of project report, permission from Government of Gujarat allowing the domestic industry to set up production facility in Gujarat, and investor presentations referring to expansion and has submitted that the domestic industry is currently in the process of expanding its capacities in the state of Gujarat, and would be able to cater to a larger segment of the market share once these capacities are online.

111. Public interest comprises both consumer interests and producer interests, both of which are important and relevant. No doubt consumer interests are highly relevant, particularly in the case of final consumption of goods. However, producer interests are equally relevant, if not more. Producer interests became especially significant during once-in-a-lifetime crises such as the COVID-19 pandemic. Therefore, it is essential that producer interests are given due consideration alongside consumer interests, if not greater importance.
112. The domestic industry has also emphasized that propylene oxide is majorly used in the production of subject goods and rely on the local production of subject goods. Therefore, non-imposition of duties will adversely impact the viability of the operations of the propylene oxide industry.

#### **L. POST-DISCLOSURE COMMENTS**

113. The Authority circulated the disclosure statement containing all essential facts under consideration for making the final recommendations to the Central Government, to all interested parties on 5th March 2026. The Authority has examined all the post-disclosure comments made by the interested parties in these parties in these final findings to the extent deemed relevant. Submissions regarding past history of duties, lack of backward integration, impact of cyclone, impact of other imports on the domestic industry and existence of demand-supply gap in the country, are reproduction of the previous submissions and which have been adequately examined by the Authority have not been repeated for the sake of brevity.

##### **L.1. Submissions by the other interested parties**

114. The other interested parties have made the following new submissions post issuance of the disclosure statement:
- a. The scope of the product under consideration should be clearly defined as Flexible Slabstock Polyol of Molecular Weight 3000-4000.
  - b. Since the domestic industry does not produce subject goods using DMC technology and such product is not substitutable or interchangeable with the domestic product, product produced using DMC route cannot be included in the product scope as per the Manual of SOP, and as held by the CESTAT in *Oxo Alcohols Industries' Association v. DA and Indian Refractory Makers Association vs. DA*.
  - c. The product produced by the domestic industry is inferior in terms of quality and technical characteristics. It contains higher potassium residue, which is not a minor variation and directly affects processability for downstream users, which are largely MSME.
  - d. The Authority has disregarded the fact that the potassium residue is significantly high in the product produced by KOH technology which renders the product completely unusable for consumption in polymer polyol. Limited use by some customers under adjusted process conditions cannot justify inclusion of technologically distinct products within a single product scope.
  - e. The cost of production, normal value, export price and landed value determined for the responding exporter from Thailand, and consequent dumping and injury margin should be confirmed in the final findings.
  - f. Anti-dumping duty should be determined based on injury margin for the responding exporters.
  - g. The subject imports from Thailand are not undercutting the domestic prices and should be examined separately.
  - h. There are significant differences in the import volumes reported by the Authority for 2021-22 in the previous investigations and in this investigation.
  - i. The Authority has failed to properly address the fact that imports from Singapore could also be cause of injury to the domestic industry.
  - j. While the cost of raw materials for the domestic industry has increased, the cost of polypropylene oxide has declined globally.
  - k. The basis for key conclusions such as demand, market share, price undercutting and injury have not been disclosed appropriately in the disclosure statement.
  - l. The Authority has failed to address the fact that the technical data sheet submitted by the applicant relates to viscoelastic polyether polyol, and not FSP, which warrants clarification.
  - m. The Authority has failed to calculate the impact of imposition of duties on foam manufacturers and have simply calculated impact on mattresses as a

simple percentage-of-retail-price exercise. Further, impact of duties should be seen in light of existing duties on TDI.

- n. The downstream industry operates on limited margins and slightest increase in the cost of a major raw material can impact margins and affect commercial viability.
- o. Merely because the applicant is expanding capacities which may become operational in the future, the users cannot be asked to bear present cost increases.
- p. Considering the ongoing geopolitical disruption in the Middle-East region, imports are already disrupted and imposition of duties would add to the burden.

### **L.2. Submissions by the domestic industry**

115. The domestic industry has made the following new submissions post issuance of the disclosure statement:

- i. The documentary evidence submitted on record clearly demonstrate that the applicant has made significant investment and is seriously committed to expanding its production capacities, which would help bridge the demand-supply gap.
- ii. Continuation of duties will protect the applicant from permanently shutting down its operations and significant investments made to bridge the demand-supply gap.
- iii. The possible impact of duties calculated based on the lowest price of mattress is not accurate as mattresses are offered at various prices in the market. Impact of duties considering various prices of mattresses will also be negligible.
- iv. The total raw material cost has been calculated disregarding the cost of raw material purchased which accounts for a significant share in the total raw material consumed.
- v. The utility cost has been erroneously determined by considering the cost of utility consumed at only 1 plant, while applying the consumption factor for the other plant. The utility cost should be revised by considering the consumption factor for the plant whose cost has been considered.

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

116. The Authority has examined the post-disclosure submissions made by the domestic industry and the other interested parties and notes that some of the comments are reiterations of submissions which have already been examined suitably and addressed adequately in the relevant paras of the final findings. The issues raised for the first time

in the post-disclosure comments/submissions by the interested parties and the domestic industry and considered relevant by the Authority are examined below.

117. Certain interested parties have reiterated their request for exclusion of FSP produced using DMC catalyst technology. The parties have repeated their submission claiming that the product produced by the domestic industry, using KOH catalyst route is inferior in quality and the higher potassium residue of the same makes the product entirely unusable for the downstream users. It has been claimed that the exporters in the subject countries are producing the product using DMC catalyst technology and thus, the users are forced to import in absence of supply of good quality product in the market.
118. The Authority has carefully examined the submissions and evidence provided by both sides. It is noted that the arguments regarding differences in the product produced by the domestic industry (KOH catalyst product) and that imported from other countries (DMC catalyst product) were raised before the Authority in the previous investigations as well. However, the Authority finds that no additional justification has been presented in the current investigation to support the exclusion sought or warrant a departure from the conclusions reached in the previous investigations.
119. Further, the Authority notes that the domestic industry has continued to supply the product to users in the market, who are also importing the subject goods. Thus, it is evident that the users are purchasing and using the products produced by the domestic industry and that imported from the subject countries interchangeably. In view of the same, exclusion of product produced using DMC technology is not warranted.
120. Certain interested parties have argued that imports from other countries like Singapore have caused injury to the domestic industry and not the subject goods. The Authority notes that as per the data on record, the prices of imports from Singapore are higher than the price of subject imports. It is noted that during the period of investigation, the imports from Singapore were subject to an anti-dumping duty of US\$ 153.89 per MT. Considering such duties in place, it is seen that the imports from Singapore were priced above the selling price of the domestic industry and were not undercutting the prices of the domestic industry. Thus, such imports cannot be considered as cause of injury to the domestic industry.

Particulars	Unit	POI
Net sales realization	₹/MT	***
Landed price of Singapore (after ADD)*	₹/MT	***

Price undercutting	₹/MT	***
Price undercutting	%	***
Price undercutting	Range	Negative

121. The domestic industry has claimed that the non-injurious price should be revised on account of raw material and utility cost. In this regard, it is noted that the raw material rates for PUC (including captively produced raw material) are determined based on the best-utilized production capacity and optimisation of raw material usage over the injury period as per guidelines contained in the Annexure III of the Anti-Dumping Duty Rules. Similarly, best utilisation of utility over the injury period is considered for determination of non-injurious price. Further, necessary adjustments have been made based on the verification carried out by the team and replies furnished by Domestic Industry.
122. With regards to the argument that the impact of duties should not be calculated with respect to mattresses alone, it is noted that none of the interested parties have submitted information on record which would allow the Authority to determine the impact of duties on any other downstream product. Further, the domestic industry as well as the Users' Association have also quantified impact with respect to mattresses only. In absence of any other information on record, the Authority does not find merit in this argument.
123. The other interested parties have argued that the impact of duties should be considered having regard to the fact that anti-dumping duties have also been imposed on other key raw material, namely TDI. The Authority has considered the submissions of parties. It is noted that the anti-dumping duty of upto US\$ 344.33 per MT has been imposed on imports of TDI. Considering the same, it is noted that the cumulative impact of duties on FSP and TDI would only be in the range of 2.4% with respect to mattresses.

Particulars	Unit	Remarks	Value
CIF Price of Polyol	US\$/	A	1,300
Net contribution of polyol in foam	Rs./kg	B	95
Foam per mattress	kg	C	12
Cost of polyol in a mattress	Rs./kg	D = C*B	1,160
Price of mattress	Rs	E	6,000

Share of polyol in a mattress	%	$F = D/E$	19%
Impact of 10% on price of mattress	%	$G = F*10\%$	1.9%
Impact of 10% on price of mattress	Rs..kg	$H = G/E$	116
Duty on TDI	Rs./kg	$I = (344.33*83.50)/1000$	29
Total impact on price of mattress	Rs./kg	$J = H+I$	145
Total impact on price of mattress	%	$K = J/E$	2.4%

124. With regard to arguments that import price from Thailand are not undercutting the domestic industry prices, and therefore should be examined separately, it is noted that the Authority has examined the injury to the domestic industry after cumulative analysis of volume and price effect of subject countries, and have also analysed that cumulative assessment is appropriate in this case.
125. With regard to arguments that Anti-dumping duty should be based on the injury margin of responding exporters, it is noted that the Authority always works out the anti-dumping duty taking into account the lesser duty rule, and takes into account lower of dumping and injury margin of the cooperating producers and exporters for the purpose of imposition of anti-dumping duty.

### M. CONCLUSION

126. After examining the submissions made by the interested parties and issues raised therein; and considering the facts available on record, the Authority concludes that:
- i. The product under consideration is Flexible Slabstock Polyol, having molecular weight of 3000-4000.
  - ii. The product under consideration includes product produced using KOH route and DMC catalyst route, in view of the similarity in the technical and physical properties of the end-product produced using both routes. Further, the product produced using both routes is used interchangeably in end-applications.
  - iii. The domestic industry has produced like article to the imported product under consideration.

- iv. The application for initiation of the anti-dumping investigation was filed by Manali Petrochemicals Limited.
- v. The applicant is the sole producer of subject goods in the country accounting for 100% of the total Indian production, and has been considered eligible to constitute domestic industry.
- vi. Considering the normal value and export price determined, the dumping margin for the subject goods from the subject countries is above de minimis level and is significant.
- vii. The demand for the subject goods has increased throughout the injury period.
- viii. The domestic industry has suffered injury as a result of the dumping of subject goods from subject countries, which is evident from the following.
  - a. The volume of imports has increased over the injury period.
  - b. The subject imports are undercutting the prices of the domestic industry.
  - c. The landed price of subject goods has continued to decline over the injury period, and the delta of the landed price over the raw material cost of the domestic industry has declined, and has become negative.
  - d. The cost of sales of the domestic industry increased over the period, while the selling price of the domestic industry declined in response to the decline in the landed price of imports.
  - e. The market share of the domestic industry declined, while that of the imports increased.
  - f. The domestic industry has faced a decline in production and sales, despite a significant increase in demand.
  - g. The domestic industry was faced with significantly underutilized capacities.
  - h. The domestic industry was unable to dispose of its production, thereby resulting in the piling up of inventories.
  - i. The domestic industry has supplied the subject goods at a price lower than its costs in order to compete with the imported goods.
  - j. The domestic industry faced significant losses and cash losses.
  - k. The return on capital employed of the domestic industry is negative.
  - l. The imports have adversely impacted the ability of the domestic industry to raise further capital investments.
- ix. The injury margin for the subject countries is positive.
- x. No other factor appears to have caused injury to the domestic industry.
- xi. Factors such as absence of backward integration are factors inherent to the domestic industry and have remained unchanged over the period, and thus, cannot have now caused injury to the domestic industry.
- xii. The domestic industry segregated the impact of Michaung cyclone by reducing its available capacities. However, despite the same, the domestic industry has faced significant underutilization of capacities and decline in production.

- xiii. It is noted that domestic industry has suffered material injury as a result of the dumped imports.
- xiv. The imposition of anti-dumping duty is in the interest of the public and would have no adverse impact on the interests of public at large.
- xv. Imposition of duties would result in a negligible increase in the prices of the end-product and would not be a measurable burden for the end-consumers.
- xvi. The domestic industry has made significant investments in order to expand its production capacities and increase supply of its product in the market, as is evident from the supporting evidence and documents submitted showing the seriousness of commitment and investments made.
- xvii. Imposition of duties is necessary to protect the operations of the domestic industry and the viability of investments made.
- xviii. Non-imposition of duties would also adversely impact the viability of operations of the upstream industry of propylene oxide.

#### **N. RECOMMENDATIONS**

- 127. 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 dumping, injury, causal link, and impact of measures. Having initiated and conducted the investigation in terms of the provisions under the Anti-Dumping Rules, the Authority is of the view that imposition of anti-dumping duty is required to offset dumping and injury. Accordingly, the Authority recommends imposition of anti-dumping duties on imports of the product under consideration from the subject countries.
- 128. Having regards to the lesser duty rule followed, the Authority recommends imposition of anti-dumping duty equal to the lesser of the margin of dumping and the margin of injury so as to remove the injury to the domestic industry. Accordingly, the Authority recommends imposition of definitive anti-dumping duty on the imports of subject goods originating in or exported from the subject countries, for a period of 5 years, from the date of notification to be issued in this regard by the Central Government, equal to the amount mentioned in Column 7 of the duty table appended below.

Duty Table

S. No.	Heading	Description	Country of Origin	Country of Export	Producer	Amount	Unit	Currency
1	2	3	4	5	6	7	8	9
1.	39072910, 39072990	Flexible Slabstock Polyol of molecular weight 3000-4000	China PR	Any country, including China PR	Wanhua Chemical Group Co., Ltd	<b>207</b>	MT	USD
2.	-do-	-do-	China PR	Any country, including China PR	Any, other than that mentioned at S.No. 1	<b>318</b>	MT	USD
3.	-do-	-do-	Any country other than China PR and Thailand	China PR	Any	<b>318</b>	MT	USD
4.	-do-	-do-	Thailand	Any country including Thailand	Dow Chemical Thailand Limited	<b>72</b>	MT	USD
5.	-do-	-do-	Thailand	Any country including Thailand	Any, other than that mentioned at S.No. 4	<b>141</b>	MT	USD
6.	-do-	-do-	Any country other than China PR and Thailand	Thailand	Any	<b>141</b>	MT	USD

129. The application of the individual duty rates specified for the companies mentioned in the above duty table shall be conditional upon presentation to the customs authorities of a valid commercial invoice, on which shall appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows:

"I, the undersigned, certify that the (volume) of Flexible Slabstock Polyol sold for export to the India covered by this invoice was manufactured by (company name and address) in [country concerned]. I declare that the information provided in this invoice is complete and correct."

If no such invoice is presented, the duty applicable to all other rates shall apply. This requirement is without prejudice to the verification procedures independently undertaken by the Customs authorities under the applicable customs law and regulations.

**O. FURTHER PROCEDURE**

130. An appeal against the determination of the Designated Authority in these final findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act / Rules.



**Amitabh Kumar**  
**Designated Authority**