

TO BE PUBLISHED IN THE GAZETTE OF INDIA – EXTRAORDINARY
PART-I, SECTION-1
F.No.14/34/2015-DGAD
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti-Dumping & Allied Duties)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi

Date: 21 February 2017

Notification
Final findings

Sub: Anti-Dumping Investigation concerning import of “Flexible Slabstock Polyol”
originating in or exported from Thailand

1. No.14/34/2015-DGAD:- Whereas having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the AD Rules or the Rules), the Designated Authority (hereinafter referred to as the Authority) received a written application under the Rules from M/s Manali Petrochemicals Ltd., (hereinafter also referred to as the petitioner or the applicant) alleging dumping of Flexible Slabstock Polyol” (hereinafter referred to as FSP or the subject goods) originating in or exported from Thailand (hereinafter referred to as the subject country).
2. Whereas the Authority on the basis of sufficient evidence submitted by the applicant on behalf of the domestic industry, issued a public notice dated 24th February, 2016 published in the Gazette of India, Extraordinary, initiating anti-dumping investigations concerning imports of the subject goods, originating in or exported from Thailand, in accordance with the sub-Rule 6(1) of the Rules, to determine the existence, degree and effect of alleged dumping and to consider recommendation of the anti-dumping duty.

A. PROCEDURE

3. The following Procedure has been followed with regard to this investigation:
 - i. The Authority notified the subject country through its Embassy in India about the receipt of application alleging dumping of the subject goods originating in or exported from the subject country before proceeding to initiate the investigation in accordance with sub-Rule 5(5) of the Anti-dumping Rules.
 - ii. The Authority issued a public notice dated February 24, 2016, published in the Gazette of India, Extraordinary, initiating anti-dumping investigation concerning imports of the subject goods, originating in or exported from Thailand.

- iii. The Authority forwarded a copy of the public notice to all the known exporters and other interested parties (whose details were made available by the domestic industry and industry associations and gave them opportunity to make their views known in writing in accordance with the Rule 6(2) of the Anti-dumping Rules.
- iv. The Authority provided a copy of the non-confidential version of the application to the known exporters of the subject goods in India in accordance with Rule 6(3) of the Anti-dumping Rules. A copy of the Application was also made available other interested parties, upon request.
- v. The Authority sent questionnaires to elicit relevant information to the following known exporters in Thailand in accordance with Rule 6(4) of the Antidumping Rules:
 - a. M/s IRPC Polyol Company Limited Petrochemical Business
 - b. M/s Dow Chemical Thailand
- vi. Responses to the questionnaire were filed by the following:
 - a. M/s IRPC Polyol Company Limited Thailand
 - b. M/s IRPC- PCC Polyol Company Limited Thailand
 - c. M/s Dow Chemical Thailand
- vii. Importer questionnaires were sent to the following known importers/users and user association of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Anti-dumping Rules:
 - a. M/S Sheela Foam P Ltd
 - b. M/S Prime Comforts
 - c. M/S M H Polymers P Ltd
 - d. M/S Somany Foam Ltd
 - e. M/S Tirupati Foam Ltd
 - f. M/S Dura Puf
 - g. M/S Shree Singhal Foams P Ltd
 - h. M/S Multiwyn Foams P Ltd
 - i. M/S Shree Malani Foams P Ltd
 - j. M/S Joy Foam Pvt Ltd
 - k. Indian Polyurethane Association
- viii. Responses to the questionnaire were filed by the following importers:
 - a. M/S Sheela Foam P Ltd
 - b. M/s Dow Chemical International Pvt. Limited
- ix. It is also noted that following interested parties have also filed the submissions during the course of the investigation.
 - a. Indian Polyurethane Association,
 - b. Associated Chambers of Commerce and Industry of India,
 - c. Allied Foams Private Limited,

- x. It is noted that the above mentioned interested parties had filed their legal submissions. However, they have not filed importers questionnaire response.
- xi. The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties.
- xii. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) and DG Systems to arrange details of imports of the subject goods for the period of investigation and preceding three years.
- xiii. Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis was directed to provide sufficient non confidential version of the information filed on confidential basis.
- xiv. The Non-injurious Price based on the cost of production and cost to make and sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Anti-dumping 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.
- xv. On the spot verification of the information provided by the petitioner was conducted by the Authority. Only such verified information is relied upon for the purposes of this disclosure statement. The Authority had made necessary verification of the data submitted by the producer / exporter from Thailand namely M/s IRPC Polyol Company Limited and M/s IRPC-PCC Polyol Company Limited.
- xvi. The relevant appendixes of the exporters questionnaire response submitted by M/s Dow Chemical Thailand referred to 8152 MT of its exports to India. However, this information did not explicitly mention anything about routing of a few transactions through Dow Chemical Singapore. Further no break-up of direct exports or that routed through related entities has been furnished. However, the Authority observed that the Customs import data obtained from DG Systems shows exports by DOW Chemical Thailand through DOW Chemical Singapore and DOW Corning Singapore also. A deficiency letter dated 15.6.2016 was issued to DOW Chemical Thailand seeking clarification about complete information / response with respect to exports made by entities from Singapore.
- xvii. In their reply dated 29.6.2016, DOW Chemical Thailand inter alia stated that DOW Chemical Pacific (Singapore) Pvt. Ltd. is merely an invoicing entity of DOW Thailand. Only the invoices to customers were routed via DOW Singapore while the actual physical exports of goods were made from Thailand by DOW Thailand. However, no further details of quantities of exports made through Singapore entities were provided. Further, no break-up of exports through various channels was also indicated.

- xviii. It is observed that the information provided by DG Systems shows that DOW Chemical Singapore had exported subject goods from other countries also to India in addition to Dow Chemical Thailand.
- xix. Pursuant to further requests, DOW Chemical Thailand provided copies of invoices of 8152 MT of their exports to India vide their letter dated 28.12.2016. These invoices also included the invoices for exports routed through DOW Singapore. However, no break-up details of exports through various channels was submitted.
- xx. Since DOW Chemical Singapore is a related entity of DOW Chemical Thailand and in view of the Authority's finding from the import data of DG System that DOW Chemical Singapore has also exported the subject goods originating from other countries, the exporter was again reminded vide email dated 3.1.2017 that the exporter questionnaire response from Dow Chemical Singapore has not been filed with the Authority despite a specific email dated 15.6.2016 from the DGAD. The reply dated 06.01.2017 from DOW Chemical again neither provided any response from DOW Chemical Singapore nor any break-up of exports through various channels. Therefore, the Authority did not consider it necessary to verify the incomplete information filed by M/s Dow Chemical Thailand. Moreover, they have also failed to adhere to the specific instructions of the Authority.
- xxi. It is further noted that the Authority provided one more opportunity to DOW Chemical Thailand on 10.2.2017 on their specific request to substantiate their claim. However, the Dow Chemical did not supplement anything to their earlier submissions.
- xxii. After the aforesaid meeting, the company has sent yet another e-mail dated 12-02-2017 inter-alia reiterating that Dow Singapore is merely the invoicing entity of DOW Chemical Thailand. It further states that the information including but not limited to invoices drawn up by DOW Singapore for export of subject goods to India is also available with the Hon'ble Authority, which can be duly verified. It further states that the response filed by Dow Thailand provides the complete chain of exports to India and is in consonance with the practice as is followed by the Hon'ble Authority in conduct of investigations. It is submitted in this regard that no details regarding quantitative exports and their value etc. for different channels of export are available in the records submitted by the company. Further, DOW Chemical Singapore is a separate legal entity having its own books of accounts. Further, DOW Chemicals Singapore is a related entity of DOW Chemical's Thailand. In the present investigation DOW Chemicals Singapore has failed to participate and provide necessary information with regard to the details of purchase price, SGA and other expenses incurred by related entity which are necessary for calculating net ex-factory export price. Since the complete details were not on record and export chain is not complete, the Authority is unable to determine ex-factory export price and landed value for Dow Chemicals Thailand.
- xxiii. Investigation was carried out for the period starting from 1st October 2014 to 30th September 2015 (POI). The examination of trends, in the context of

injury analysis, covered the period from April 2012-March 2013, April 2013-March 2014, April 2014-March 2015 and the POI.

- xxiv. A Disclosure Statement containing the essential facts in this investigation which would have formed the basis of the Final Findings was issued to the interested parties on 13.2.2017. The post Disclosure Statement submissions received, have been considered, to the extent found relevant, in this Final Findings Notification.
- xxv. The submissions made by the interested parties to the extent considered relevant by the Authority have been addressed in this disclosure statement.
- xxvi. *** in this disclosure statement represents information furnished by the interested parties on confidential basis, and so considered by the Authority under the Rules.
- xxvii. The exchange rate adopted for the POI is 1 US \$ =Rs 64.11

B. Product Under Consideration and Like Article

Submissions made by producers/exporters/importers/other interested parties

- 4. None of the exporters, importers or consumers has offered any views with regard to product under consideration.

Views of the Domestic Industry

- 5. The product under consideration in the present investigation is Flexible Slabstock Polyol, a polymer, originating in or exported from Thailand. The subject product is a clear viscous liquid of molecular weight 3000-4000, manufactured by polymerization of propylene oxide and ethylene oxide with a triol chain starter.
- 6. It is a polyether and on reaction with catalysts and additives yields polyurethane foams used in upholstery, mattresses, pillows, bolsters, transport seating and packaging. Flexible Slabstock Polyol is transported in tankers or stored in steel drums.
- 7. Flexible Slabstock Polyol is classified under the category “Plastics and articles thereof” in Chapter 39 of the Customs Tariff Act, 1975 and further under 3907.20 as per International Trade Classification. The classification, however, is only indicative and in no way binding on the scope of the present investigation
- 8. There is no known difference in the subject goods produced by the domestic industry and that imported from Thailand. The subject goods produced by the domestic industry and the subject goods imported from Thailand are comparable in terms of characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, distribution and market & tariff classification of the goods.

Examination of the Authority

9. There are no submissions made by the producers / exporters / importers / other interested parties during the course of the present investigation with regard to the scope of PUC. Based on the information submitted by the Domestic Industry and the examination of the material on record, the Authority confirms the product under consideration as “Flexible Slabstock Polyol of molecular weight 3000-4000”.
10. With regard to like article, Rule 2(d) of the Anti-dumping Rules provides as under:
- "like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation."*
11. The Authority notes that there is no known difference in product under consideration produced by the Indian industry and exported from Thailand. Product under consideration produced by the Indian industry and imported from Thailand are comparable in terms of characteristics such as physical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The subject goods produced by the domestic industry are like article to the product under consideration imported from Thailand within the scope and meaning of Rule 2(d) of anti-dumping Rules.

C. Domestic Industry and Standing

Submissions made by producers/exporters/importers/other interested parties

12. None of the exporters, importers, association or consumers has offered any views with regard to standing or their eligibility of the Domestic Industry.

Views of the Domestic Industry

13. The domestic industry submitted that as per the information available with them, they are the only producer commercially producing the subject goods during the period of investigation and accounts for around 95% of the total production of the subject goods in India. It was further submitted that besides Domestic Industry, there is one more producer of the subject goods namely, M/s Expanded Polymers Limited, who are producing the subject goods. In view thereof, M/s Manali Petrochemicals accounts for a major proportion of the total domestic production in terms of Rule 2(b) as well as the clear standing in terms of Rule 5 of the Anti-dumping Rules.

Examination of the Authority

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

“domestic industry” means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the

total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term 'domestic industry' may be construed as referring to the rest of the producers”

15. The Application has been filed by M/s Manali Petrochemicals Limited. As per the records available with the Authority, the petitioner accounts for major proportion of the product under consideration in the total domestic production in the period of investigation and, therefore, constitutes Domestic Industry as well satisfies the criterion of standing within the meaning of the Rules. The petitioner has certified that there are no imports of the product under consideration during POI by the petitioner or any of its related party within the meaning of Rule 2(b). The petitioner has also certified that it is not related to any of the exporters from the Thailand in terms of the Rules.
16. It is further noted that the other producer, namely M/s Expanded Polymers Limited had manufactured negligible quantities of the subject goods during the POI which accounts for a small percentage of the total production in the country. It is clear that the standing of the applicant shall not be affected as they would still account for major proportion of the total domestic production. Thus, the applicant satisfies the requirements of being considered as the “Domestic Industry” in terms of Rule 2(b) as well the ‘standing’ under Rule 5 of the AD Rules.

D. Confidentiality

Submissions made by producers/exporters/importers/other interested parties

17. The various submissions made by the producers/exporters/importers/other interested parties during the course of the present investigation with regard to confidentiality and considered relevant by the Authority are examined and addressed as follows:
 - i. The petition suffers from excessive confidentiality. The petition provides absolutely no information with respect to petitioner’s volume related information, policy regarding its distribution channels, commission / discount policy, credit terms, normal value calculation etc.
 - ii. The Domestic Industry has claimed and has been allowed excessive confidentiality in the sense that they have not made available their annual report in the public file.
 - iii. The Domestic Industry has claimed confidentiality on the costing information. It is submitted that the information submitted as part of costing information can easily be provided in indexed form so as to indicate a trend along with the petition.
 - iv. Petitioner has not disclosed material information relating to methodology used to refine the import data.

Submissions made by the domestic industry

18. The various submissions made by the domestic industry with regard to confidentiality and considered relevant by the Authority are examined and addressed as follows:
- i. Petitioner has claimed confidentiality on information provided by them as allowed in rule 7 of the AD rules and a meaningful summary of such information were also provided. The claims of interested parties that the petitioner has claimed excessive confidentiality are baseless. It is also submitted by the Domestic Industry that they have provided sufficient information in the non-confidential version of the petition for the understanding of the interested party.
 - ii. On the other hand, excessive confidentiality has been claimed by the exporters inasmuch as the non-confidential versions of the questionnaire response were not the exact replica of the confidential version filed by the exporters as required under the Rules and the instructions on the issue.
 - iii. Information about related entities was kept confidential by Dow Chemical, IPCRC Polyol Company and IPCRC PCC Polyol Company. Moreover, they have kept the sales channel as confidential, which has significantly hampered the Domestic Industry to assist the Authority in the best possible manner.
 - iv. Volume related information was also not disclosed by the exporters and same needs to be provided by them.

EXAMINATION BY THE AUTHORITY

19. The various submissions made by the interested parties during the course of the present investigation with regard to confidentiality and considered relevant by the Authority are examined and addressed as follows:

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

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

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

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.

- ii. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. As regards the contention of the interested parties with regard to non-disclosure of the costing information, the Authority has consistently taken a view that costing and price-related information is confidential by its very nature and is not amenable to summarization. Therefore, the claim of the interested parties regarding excessive confidentiality by the Domestic Industry is not valid and hence rejected. On the other hand, the Authority observes that the Domestic Industry has vehemently contended that Dow Chemical Thailand and IRPC and IRPC PCC have not revealed certain basic information relating to their related entities. They have kept even the volume related information confidential. Most of the appendices in the questionnaire response have not been indexed which could provide a meaningful understanding to the concerned parties. However, the Authority has largely accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis was directed to provide sufficient non confidential version of the information filed on confidential basis. The Authority made available the non-confidential version of the evidences submitted by various interested parties in the form of public file.

E. Miscellaneous Submissions

Submissions made by producers/exporters/importers/other interested parties

20. The miscellaneous submissions made by the producers / exporters / importers /other interested parties during the course of the present investigation and considered relevant by the Authority are as follows:
 - i. The application filed by the Domestic Industry is not in the form and manner prescribed by the Authority.
 - ii. Any imposition of anti-dumping duty will cause injury to small manufacturers and the products made from Flexible foam. Further the protection to one industry is causing injury to 100's of manufactures of flexible poly urethane foam and will also make them uncompetitive.
 - iii. The application filed by the domestic industry does not even meet the basic evidentiary standard of the Article 5.2 ADA.
 - iv. Indian Polyurethane Association submitted that due to cheaper imports from Thailand, domestic producers are not able to utilize their capacity. Further, they submitted that Indian producers are also struggling due to inward duty structure and the fact that major propylene oxide producing entities are not providing the same to Indian producers.

- v. ASSOCHAM in their submissions advocated for the level playing field for both the producers and users of the subject goods in India. They further submitted that the Indian industry lacks the technology and capacity to cater demand in India.
- vi. Due to the location disadvantage domestic industry is facing high logistic costs and therefore injury faced by them is on account of poor selection of location and not because of imports of subject goods.
- vii. Domestic industry is unable to achieve high capacity utilization due to lack of infrastructure to handle critical material like propylene oxide. This factor can also be seen from the various annual reports of the petitioner. Further, due to the moratorium ban domestic industry cannot increase their capacity.
- viii. It is further submitted by one of the importer that the domestic industry is not able to supply subject goods of adequate quality and consistency.
- ix. The increase in import volume is because of the positive effect of the ASEAN FTA. Therefore, the Authority should consider the fact while making any determination.
- x. The petition is deficient and therefore the investigation needs to be terminated.
- xi. There is huge demand supply gap and therefore, the current proceedings should be terminated.
- xii. Domestic industry is enjoying benefit of trade remedies since 1999 and therefore has adversely affected the downstream industry. It was further submitted that the Authority should not recommend duties this time.

Views of the Domestic Industry

- 21. The domestic industry during the course of the present investigations also raised certain issues and have also given comment on the miscellaneous submissions made by the interested parties, which are as follows:
 - i. Petition is filed as per the guidelines of the Authority by the domestic industry. Further, after being satisfied with the evidences provided by the domestic industry, the Authority has initiated the current investigation and therefore, the current proceedings are valid and justifiable as per current laws.
 - ii. Domestic Industry has provided complete details of selling price in the Proforma IV A and in the injury analysis. Therefore, mere non reproduction of the information at one place cannot be said as violation of any rule, particularly when the domestic industry has provided detailed injury analysis.
 - iii. The domestic industry can technically produce subject goods up to 50000 MT and there is no constrain in that, except low priced imports coming in the market from Thailand. It is further submitted by the domestic industry

that they have advantage of using captively produced propylene oxide (PO) in the manufacturing of subject goods and that is the precise reason why they are still manufacturing subject goods on commercial basis, whereas the other producer is not able to produce subject goods on consistent basis. Moreover, domestic industry is also importing the PO for the balance of their requirement. Therefore, the domestic industry requested the Authority to reject the claims of the interested parties as they are devoid of any merit and contrary of the facts on record.

- iv. Domestic Industry submitted that imposition of anti-dumping measures will only create level playing field between domestically produced goods and imported subject goods. Further, any levy will not impact user industry as subject goods from both the sources will be available to them at competitive rates.
- v. Domestic industry submits that their quality is at par with the imported goods and only because of the low priced imports, user industry is buying imported subject goods. Domestic industry has ample idle capacity to fulfill the local demand.
- vi. In relation to location or geographical disadvantages, domestic industry submits that these factors have no weightage in the anti-dumping investigation as all the expenses after ex-factory are not considered in any of the analysis. Therefore, the argument related to any freight and location disadvantage have no legal or factual basis and needs to be rejected.
- vii. The domestic industry submitted that the history of the previous cases is of no legal or factual relevance to the fact of current proceedings. The Hon'ble Authority is required only to see whether a case for imposition of anti-dumping duties is made out in the facts and circumstances of the present case. It may be appreciated that the interested parties have referred to the details of previous investigations only with the intent to create a bias in the mind of the Authority. The Domestic Industry also submitted that if the exporters continue to indulge in dumping practice, then the domestic industry has no other option but to seek remedy under the laws of the land for appropriate relief. In view of the aforesaid, the domestic industry requested the Authority to reject the submissions made by interested parties in relation to history of product concerned.
- viii. Domestic Industry further submitted that Dow Chemical has not reported its complete chain of exports and therefore there response needs to be rejected.
- ix. Domestic Industry submitted that even the Indian Polyurethane Association admitted increased imports from Thailand at lower prices clearly indicates the adverse impact of dumped and non-remunerative imports of subject goods from Thailand.

Examination by Authority

22. The various miscellaneous issues raised by the interested parties during the course of the present investigation and considered relevant by the Authority, are examined herein below:
- a. As regards the argument of the opposite interested parties that the petition is deficient and therefore the investigation needs to be terminated, the Authority notes that the present investigation was initiated on the basis of prima facie evidence furnished by the domestic industry showing dumping, injury and causal link and justifying initiation of the investigation in accordance with the Act and Rules. The Authority has also called for additional information wherever required and verified the information furnished by the domestic industry.
 - b. The information provided by the domestic industry has been verified and only verified information has been used for the final proceedings of the investigation. It is also noted that the Domestic Industry has provided complete costing of subject goods duly certified by the cost auditor and therefore, the apprehension of the interested parties relating to correctness is fully taken care of by the authority.
 - c. As regards the submission of the interested parties that the increase in imports from Thailand is on account of the FTA, it is noted that the argument is of no consequence or relevance from the anti-dumping perspective. As per the anti-dumping rules, anti-dumping duty will only be imposed if the imports are dumped and are causing injury to the Domestic Industry. Therefore, the issues raised by the exporters /importers in relation to increase in imports due to FTA have no bearing in this investigation.
 - d. In relation to the import data, it is noted that the Authority has used DGCI&S import data for analysis purpose and therefore, all the issues related to import data are taken care of.
 - e. As already indicated in the paragraph 3 above regarding , the response of Dow Chemicals is liable to be rejected as they have failed to file exporter questionnaire response of all the related parties involved in the exports of subject goods to India. It is further noted that the Authority had provided many opportunities to Dow Chemical Thailand to submit their complete response of exports to India from all the channels of export. Further, it was the Authority which found that Dow Chemical has exported through their related entity in Singapore. Here, it is important to note that had the Authority not called for and analyzed the import data from DG System, these exports would have remained undetected as DGCI&S data does not provide exporter's name. The Authority is of the view that under-reporting or misreporting of exports by the exporter can have a direct impact on the calculation of the dumping margin and, therefore, has to be considered as a serious lapse on the part of the exporter. In view of the failure of DOW Chemical to file their responses in the prescribed manner and in view of the fact that the said exporter had under-reported their exports to India, the Authority is not in a position to consider them as cooperative for the purposes of this investigation.
 - f. It is further noted that the Authority provided one more opportunity to Dow Chemical on 10.2.2017 on their specific request to substantiate their claim.

However, the Dow Chemical could not substantiate their contention or add any new information. It is also important to note that DOW Chemical Singapore is a separate legal entity having its own books of accounts. Further, DOW Chemicals Singapore is also a related entity of DOW Chemicals Thailand. In the present investigation DOW Chemicals Singapore has failed to participate and to provide necessary information with regard to the details of purchase price, SGA and other expenses incurred which are necessary for calculating net ex-factory export price. Since the complete details were not on record and export chain is not complete, the authority is unable to determine ex-factory export price and landed value for DOW Chemicals Thailand.

NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

F. Normal Value, Export Price and Dumping Margin

23. The submissions concerning normal value, export price and dumping margin made by the producers/exporters/importers/other interested parties during the course of the investigation and considered relevant by the Authority are as follows:
- a. The Applicant Domestic Producer have sought to have an investigation initiated against the subject goods but have adduced no evidence in support of the same. In this connection, it is submitted that no investigation is tenable without the fulfillment of the basic evidentiary standards and therefore, the present investigation must be terminated immediately.
 - b. The estimate of inland freight provided by domestic industry is also not supported by any evidence. The Applicant Domestic Producers have arbitrarily arrived at a set of figures to express its estimation of inland freight. The application did not contain any evidence as to how the figure cited as inland freight was arrived at and what the relevant calculations are.
 - c. The normal value and export price arrived by petitioner in its petition cannot be accepted as correct since petitioner has not made available any evidence to support their computations.
 - d. The adjustments made by the Applicants with respect to the export price are abnormally high and unsupported by any evidence. Therefore, the Authority should use correct adjustments while computing the export price.
24. The submissions made by the domestic industry concerning normal value, export price and dumping margin and considered relevant by the Authority are as follows:
- a. The local consumption of subject goods in Thailand is very miniscule, which according to Domestic Industry could be less than the 5% of the total exports to India during the POI. In this context, Domestic Industry submitted that the domestic sales made by exporters from Thailand should be checked religiously. Moreover, sales which were ultimately exported outside Thailand, should not be considered as their local sales.

- b. Domestic industry requested the Authority to reject the claim of individual dumping margin of the Dow Chemical as they have failed to fully cooperate in the investigation. The rejection will be in line with the consistent practice of the Hon'ble Authority. It is further submitted that the Authority has, in the recently concluded investigation of Cast Aluminum Alloy Wheels or Alloy Road Wheels, taken very strict view and rejected the response of the exporters because their value chain is not complete. In the Saccharin sunset review investigation, the Authority had rejected the response of one of the exporters only because their parent companies have not filed the complete exporters' questionnaire response. In view thereof, domestic industry requested that the Hon'ble Authority should follow the same principle in the instant case also. It is further submitted that any different approach will be contrary to the principles of natural justice.
- c. Domestic Industry requested that Authority should grant separate dumping margin to both IRPC and IRPC PCC as both of them have filed separate exporter questionnaire response.

Examination by Authority

25. Under section 9A (1) (c) normal value in relation to an article means:
- (i) The comparable price, in the ordinary course of trade, for the like article, when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or
 - (ii) When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either
 - (a) comparable representative price of the like article when exported from the exporting country or territory or to 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);
26. The Authority sent questionnaires to the known exporters from Thailand advising them to provide information in the form and manner prescribed. However, barring the following producer and exporters, none of the other producer/exporter from Thailand has co-operated in this investigation by filing their Questionnaires' responses.
- a. M/s IRPC Thailand
 - b. M/s IRPC PCC Thailand
 - c. M/s Dow Chemical Thailand

27. Since the above-mentioned companies have filed the questionnaire response, the Authority has determined individual dumping margin in respect of IRPC and IRPC PCC. The Authority is not a position to determine individual dumping margin for DOW Chemical Thailand for the reasons explained in the preceding paragraphs. Accordingly, they are treated as non-cooperative.

Normal value for IRPC Polyol Company Limited from Thailand

28. Based on the information furnished in the EQ responses, the Authority notes that IRPC Thailand is a producer of the subject goods and has exported the subject goods to India during the POI. It is also noted that during the latter part of the POI, IRPC Polyol Company Limited and PCC Rokita Co., Ltd. formed a new company with equal shareholding namely IRPC-PCC Company Limited. This IRPC-PCC Company Limited exported the subject goods to India from August, 2015. The Authority has first examined whether the total domestic sales of the subject goods by the producers/exporters concerned in the subject country was representative when compared to their total sales of the subject goods to India. Thereafter, it was examined whether their sales are under ordinary course of trade in terms of Rule 2 of the Annexure I to the Anti-dumping Rules. IRPC Polyol and IRPCC PCC Polyol have provided transaction wise details of sales made in home market. The same has been accepted by the Authority after examination and relied upon to determine the weighted average-selling price of the subject goods sold in the home market. For the determination of the ordinary course of trade test, the cost of production of the product concerned including SGA expenses of IRPC with reference to the records maintained by the producer/exporter. Further, all domestic sales transactions were examined with reference to the cost of production of the subject goods to determine whether the domestic sales were in the ordinary course of trade or not.
29. From the domestic selling price, the adjustments have been claimed towards inland freight, packing cost and credit cost. All these adjustments have been allowed after examination on the basis of documents provided by IRPC. The ex-factory normal value for the subject goods is USD *** / KG. The same is also mentioned in the dumping margin table below.

Normal value in the case of other producers and exporters from Thailand

30. As there is no other co-operating producer of subject goods other than IRPC and IRPC PCC, the Normal Value determined for IRPC is has been adopted for other producers/exporters in Thailand also after making all suitable adjustments. The normal value adopted by the Authority is mentioned in the dumping margin table below.

Export Price in case of M/s IRPC Polyol Company Ltd and IRPC PCC Polyol Company

31. The Authority further notes that IRPC Polyol and IRPC PCC Polyol Company, Thailand have filed exporters' questionnaire response claiming export of the subject goods produced by IRPC Polyol Company Ltd.. After adjusting the CIF price for all post sales expenses including inland, ocean freight, insurance, bank charges and credit cost etc as claimed by the exporter and allowed by the

authority. The net weighted average export price for IRPC and IRPC PCC Polyol at ex-works level works is determined as US\$ *** per KG.

Export Price in the case of other producers/exporters from Thailand

32. The export price for other producers/exporters in case of Thailand is determined on the basis of information available on record. The Authority made adjustments on account of commission, credit cost, bank charges, overseas freight, insurance, inland freight and port handling charges in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level determined is mentioned in the dumping margin table below.

DUMPING MARGIN

33. Considering the normal value and export price for subject goods as determined above, the dumping margin for the subject goods as a whole has been determined as follows. It is seen that the dumping margin for the subject goods is more than de-minimis and significant.

Exporter/Producer	Normal Value	Net Export Price	Dumping Margin		
			(US\$/KG)	(US\$/KG)	US\$/KG
M/s IRPC Polyol Company Ltd. & IRPC PCC Polyol Company	***	***	***	***	10-20
Non-Co-operative producers/exporters	***	***	***	***	25-35

METHODOLOGY FOR INJURY ASSESSMENT AND EXAMINATION OF INJURY AND CAUSAL LINK

Submissions made by the producers/exporters/importers/other interested parties

34. The following are the injury related submissions made by the producers/exporters/importers/other interested parties during the course of the present investigation and considered relevant by the Authority

- i. DGAD is required to examine the data of not only the petitioner company but also for the other domestic producers in the market. There is one more producer in the market. That being the case, DGAD should direct petitioners to submit information about the other producers or require other domestic producers to provide necessary information for the purposes of evaluating injury.
- ii. Import prices have increased during the injury period as compared to base year, therefore, the claim of the petitioner that the dumped and low priced

imports are affecting the profitability and its inability to increase selling price has no merit. It is further submitted that there is no volume effect as well.

- iii. It is submitted that the domestic industry has not fulfilled the requirement with respect to Article 3.4 which mandates that 'actual and potential' decline in various factors be examined and established for a positive finding of injury.
- iv. The domestic industry has faced injury due to its incapability to expand its plant capacity and also in handling critical raw material and therefore, the injury cannot be said to be because of imports from Thailand.
- v. The domestic industry was able to sell 98-99% of the goods produced every year. In that case, inventories with the Applicant Domestic Producer should logically be very low, as opposed to the inflated inventory figures provided in the petition.
- vi. The domestic industry is alleging that imports of the subject good from Thailand is substantially high and is hampering the functioning of the domestic industry. However, it is to be noted that the domestic industry is only able to cater small percentage of the total demand on an average.

Views of the Domestic Industry

35. The following are the injury related submissions made by the domestic industry during the course of the present investigation and considered relevant by the Authority:
- i. Imports of the product under consideration have shown significant increase over the years with a significant increase in POI. Imports have also shown increase in relation to production and consumption in India;
 - ii. Market share of Thailand in demand is significant. Market share of the domestic industry has decreased in the POI as compared to the base year. The same is due to significant imports from the Thailand;
 - iii. With reduction in the prices by the foreign producers, the only choice available to the Indian producers is to either realign their prices with the changes in the import prices or to lose orders and hence the market share;
 - iv. Domestic industry prices, reflects the effect of the prices that are being offered by the importers in the domestic market;
 - v. Imported goods have been undercutting the prices of the domestic industry. Price undercutting in respect of the product under consideration is positive during the period of investigation;
 - vi. Inventories with the domestic industry increased in the POI as compared with the base year;
 - vii. Performance of the domestic industry has steeply deteriorated in terms of profits, return on investments and cash profits to a very significant extent.

- viii. The decline in profitability of the domestic industry was due to significant increase in the import volume at non-remunerative prices from Thailand.
- ix. The increase in selling price was lower than the increase in cost of production and thus the dumped imports are creating price suppression effect on the domestic industry.
- x. As regards the submissions of interested parties that low quantum of imports and their impact of domestic industry, it is submitted that the imports from Thailand is above threshold limit of 3% and therefore, it would be wrong to say that imports are miniscule. Moreover, there value is below the cost and selling price of the domestic industry and thus caused injury. Therefore, the Domestic Industry requested the Authority to reject the claims made by the responding interested parties in relation to injury suffered by them.
- xi. The domestic industry has suffered material injury in connection with dumping of subject goods from Thailand. Further, the domestic industry is threatened with continued injury, should the present condition continue.

Examination by the Authority

- 36. Article 3.1 of the WTO Agreement and Annexure-II of the AD Rules provide for an objective examination of both, (a) the volume of dumped imports and the effect of the dumped imports on prices, in the domestic market, for the like products; and (b) the consequent impact of these imports on domestic producers of such products. With regard to the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in dumped imports, either in absolute term or relative to production or consumption in India. With regard to the price effect of the dumped imports, the Authority is required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree, or prevent price increases, which would have otherwise occurred to a significant degree.
- 37. As regards the impact of the dumped imports on the domestic industry. Para (iv) of Annexure-II of the AD Rules states as follows:

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

38. The injury analysis made by the Authority hereunder addresses the various submissions made by the interested parties during the course of the present investigations and considered relevant by the Authority:
39. As regards the submissions that DGAD is required to examine the data of not only the petitioner company but also other domestic producers in the market, the authority notes that the petitioner company constitutes domestic industry under the Rules. Moreover, the production of other domestic producer is insignificant.
40. The Authority has computed the non-injurious price in accordance with Annexure 3 to the Anti-dumping Rules and the established practices of the DGAD.
41. For the examination of the impact of imports on the domestic industry in India, the Authority has considered such indices having a bearing on the state of the industry as production, capacity utilization, sales quantum, stock, profitability, net sales realization, the magnitude and margin of dumping etc. in accordance with Annexure II(iv) of the Rules supra.

E. Volume Effect of Dumped Imports

Import Volume and Market Share

42. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of injury analysis, the Authority has relied on the import data procured from DGCI&S Import data. The volume of imports of the subject good from Thailand have been analyzed as under:

Particulars	Units	2012-13	2013-14	2014-15	POI
Thailand	MT	93	1507	1738	10027
Other Countries	MT	44806	41844	40000	44654
Total Imports Volume	MT	44899	43352	41738	54680
Domestic Industry Sales	MT	13451	13471	15890	14688
Other Domestic Producers Sale	MT	400	450	400	500
Total Domestic Sales	MT	13851	13921	16290	15188
Demand	MT	58750	57273	58028	69869
Market share in Imports					
Thailand	%	0.21%	3.48%	4.16%	18.34%
Other Countries	%	99.79%	96.52%	95.84%	81.66%
Market share in demand					
Thailand	%	0.16%	2.63%	3.00%	14.35%
Other Countries	%	76.27%	73.06%	68.93%	63.91%
Domestic Industry	%	22.90%	23.52%	27.38%	21.02%
Other Domestic Producers	%	0.68%	0.79%	0.69%	0.72%

43. It is noted from the above table that imports of the subject goods from Thailand have increased in absolute terms in POI as compared to the base year i.e., 2012-13. The imports from Thailand have gone up from 93 MT in the base year of 2012-13 to 10027 MT during the POI, which is an increase of more than 10650%.
44. The market share from Thailand in relation to the overall imports has also gone up significantly from mere 0.21% in the base year to 18.34% during the POI. The increase is significant. Similarly, the market share of Thailand in the total demand has also increased by more than 90 times i.e., from 0.16% to 14.35% during the same period. Thus, it is seen that the volumes from Thailand have increased very significantly in absolute terms as well as in relation to the imports and the overall demand in the country.

Price Effect of Imports

45. With regard to the effect of the dumped imports on prices, the Designated 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 products 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. The impact of dumped imports on the prices of the domestic industry has been examined with reference to the price undercutting, price suppression and price depression, if any.

Evolution of Prices over the Period

46. In the injury period, average CIF prices of the imports originated in Thailand has been as under:

Thailand	Import Quantity	Import price (CIF)
Year	MT	Rs. /MT
2012-13	93	108959
2013-14	1507	129057
2014-15	1738	135488
POI	10027	113235

47. It is seen from the above table that the CIF import price of subject goods has increased until the year 2014-15 and decreased significantly thereafter in the POI, mainly due to lower export prices of DOW Chemical Thailand. This decline in prices coupled with increase in quantity has negative impact on the performance of the Domestic Industry. Detailed analysis has been done in the latter part of the injury analysis.

Price Undercutting

48. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, the Authority has compared landed price of imports with net sales realization of the domestic industry.

Thailand	Unit	2012-13	2013-14	2014-15	POI
Landed price of imports	Rs./MT	110049	130348	136843	114367
Net Sales Realization	Rs./MT	***	***	***	***
Net Sales Realization	Index	100	117	120	113
Price Undercutting	Rs./MT	***	***	***	***
Price Undercutting (%)	%	***	***	***	***
Price Undercutting (%)	Range %	0-10	(10) - 0	(10) - 0	5-15

49. The Authority notes that the landed values of the subject goods during POI were much below the selling price of the domestic industry showing significant price undercutting being caused by the dumped imports from Thailand in the POI. Moreover, it is the claim of the Domestic Industry that their selling prices have declined essentially on account of the fact that they are forced to match their prices with the landed values of dumped imports. The Authority finds merit in the argument of the Domestic Industry as their performance became negative in the POI.

Price Suppression and Depression

50. In order to determine whether the dumped imports are suppressing or depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority considered the changes in the costs and prices over the injury period. Table below shows the factual position:

Particulars	Unit	2012-13	2013-14	2014-15	POI
Landed Value of Imports	Rs./MT	110049	130348	136843	114367
Index	Indexed	100	118	124	104
Cost of Sales	Rs./MT	***	***	***	***
Trend	Indexed	100	103	108	107
Selling Price	Rs./MT	***	***	***	***
Trend	Indexed	100	117	120	113

It is also noted from the table above that the landed value of the subject goods from Thailand decreased significantly from Rs. 136843 per MT during 2014-15 to Rs. 114367 per MT during POI. This decline in landed value from Thailand has price suppression / depression impact on the Domestic Industry as their selling prices of the subject good in the domestic market has decreased more than the decreased in the cost.

Price Underselling

51. The Authority has also examined price underselling suffered by the domestic industry on account of dumped imports from Thailand, as follows:

	Unit	Thailand
Landed price of imports	Rs./MT	114367

	Unit	Thailand
Non-Injurious Price	Rs./MT	***
Price Underselling	Rs./MT	***
Price Underselling (%)	%	***
Price Underselling (%)	Range %	5-15

52. It is noted from the above table that the domestic industry has suffered significant price underselling on account of imports of the subject goods from Thailand.

H. Economic Parameters of the Domestic Industry

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

54. The various injury parameters relating to the domestic industry are discussed herein below:

i. **Market share:** The effect of the dumped imports on the domestic sales and the market share of the domestic industry has been examined as below:

	Unit	2012-13	2013-14	2014-15	POI
Domestic Industry sales	MT	13451	13471	15890	14688
Other Domestic Producer Sale	MT	400	450	400	500
Total Domestic Sales	MT	13851	13921	16290	15188
Imports from Thailand	MT	93	1507	1738	10027
Imports from Other Countries	MT	44806	41844	40000	44654
Total Imports	MT	44899	43352	41738	54680
Total Demand	MT	58750	57273	58028	69869
Trend	Index	100	97	99	119
Market Share					
% Share of Domestic Industry in Demand	%	22.90%	23.52%	27.38%	21.02%
% Share of Other Domestic Producer in Demand	%	0.68%	0.79%	0.69%	0.72%
% Share of Thailand in Demand	%	0.16%	2.63%	3.00%	14.35%
% Share of Other countries in Demand	%	76.27%	73.06%	68.93%	63.91%

From the above, it is noted that the market share of Thailand has increased substantially i.e., from 0.16% in the base year to 14.35% in the POI. It is also noted that the imports from Thailand has increased from 3% in the year 2014-15 to 14.35% in the POI, during the same period market share of Domestic Industry decreased from 27.38% during 2014-15 to 21.02% during POI. This decline in market share of Domestic Industry and increase in Thailand clearly shows the negative impact on the performance of Domestic Industry.

- ii. **Profitability:** It can be seen from the table below that the Domestic Industry suffered losses in the POI due to the dumped and injurious imports of subject goods from Thailand. It is further noted that the Domestic Industry started improving after anti-dumping duties were imposed on Singapore, EU and Australia. However, dumped imports from Thailand have adversely affected this process and the Domestic Industry again turned into losses. This clearly shows the injurious impact of dumped imports from Thailand on the prices of the Domestic Industry.

Particulars	Unit	2012-13	2013-14	2014-15	POI
Cost of sales	Rs./MT	***	***	***	***
Trend	Indexed	100	103	108	107
Selling price	Rs./MT	***	***	***	***
Trend	Indexed	100	117	120	113
Profit/Loss	Rs./MT	***	***	***	***
Trend of Losses	Indexed	-100	68	30	-33
Profit/Loss	Rs. Lacs	***	***	***	***
Profit/Loss	Indexed	-100	68	35	-36

- iii. **Production and Capacity Utilization:** It can be seen from the following table that the overall capacity utilization of the Domestic Industry has increased till 2014-15 but declined in the POI. It may also be noted that the despite increase in demand, Domestic Industry is not able to maintain their capacity utilization at the levels of previous years. It is also noted that there are significant idle capacity lying with the Domestic Industry to cater to the increasing demand.

Particulars	Unit	2012-13	2013-14	2014-15	POI
Total Capacity	MT	50000	50000	50000	50000
Total Production	MT	32044	34403	43569	39246
Total PUC Production	MT	13987	13812	17023	15092
Total Capacity Utilization	%	64%	69%	87%	78%

- iv. **Sales Volumes of PUC and its Value:** It is seen from the table below that the sales volume of the PUC of the Domestic Industry has increased till 2014-15 and declined thereafter despite the increase in the market size. The Authority notes that the Domestic Industry has suffered on the price front.

Particulars	Unit	2012-13	2013-14	2014-15	POI
Sales	MT	13451	13471	15890	14688

Particulars	Unit	2012-13	2013-14	2014-15	POI
Trend	Indexed	100	100	118	109
Sales Value	Rs./MT	***	***	***	***
Trend	Indexed	100	117	120	113

v. **Inventories:** The data relating to inventory of the subject goods is shown in the following table:

Particulars	Unit	2012-13	2013-14	2014-15	POI
Average Inventory	MT	***	***	***	***
Trend	Indexed	100	106	66	68

It is noted from the above table that there is minimal inventory. However, the average stock during POI has declined.

vi. **Employment and Wages:** The position with regard to employment and wages is as follows:

	Unit	2012-13	2013-14	2014-15	POI
Employees	No.	***	***	***	***
Trend	Indexed	100	100	100	100
Wages/employee	Rs.	***	***	***	***
Trend	Indexed	100	98	87	86
Production	MT	13987	13812	17023	15092
Production/employee	MT	***	***	***	***
Trend	Indexed	100	99	122	108

vii. **Productivity:** It can be seen from the table above that productivity in terms of production per employee has improved over the injury investigation period.

viii. **Magnitude of Dumping:** It can be seen that dumping margin determined against Thailand is above de minimis and significant. The Authority has determined, as a part of these findings that the dumping margin of the cooperating exporter ranging from 10% to 20%, which is substantial.

ix. **Factors affecting domestic prices:** Considering the import prices from Thailand, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market show that the landed value of imported material from Thailand is significantly below the domestic selling price and non-injurious price of the domestic industry causing significant price undercutting and underselling in the Indian market. Demand for the product is showing an increasing trend and, therefore, could not have been a factor responsible for price depression and suppression faced by the domestic industry. It is thus evident that the dumped goods from Thailand are responsible for the depressed and suppressed prices of the domestic industry.

x. **Growth:** There is negative growth of the domestic industry during POI in terms

of sales, production, profits, cash profit etc..

I. Conclusion on Material Injury

55. An examination of the various parameters of injury along with the volume and price effects of imports clearly reveals that material injury has been caused to the Domestic Industry during the period of investigation. There is an increase in the volume of imports of subject goods from Thailand during the injury investigation period in absolute terms as well as in relation to the total imports, domestic production and total demand in the country. Other volume parameters like sales, production and capacity utilization of the domestic industry also indicate that the domestic industry has suffered volume injury on account of dumped imports of subject goods from Thailand. With regard to price effect on account of imports of subject goods from Thailand, it is noted that imports of the subject goods from Thailand is significantly undercutting the prices of domestic industry. Further, the domestic industry has suffered price depression on account of imports of subject goods from subject country. The domestic industry has also suffered price suppression on account of imports of product under consideration from subject country as sales price of subject goods has not increased in line with increase in cost of production of subject goods during the injury period. Thus, the Authority concludes that the domestic industry has suffered material injury during the period of investigation.

J. Other Known Factors & Causal Link

56. Having examined the existence of material injury, volume and price effects of dumped imports on the prices of the domestic industry, in terms of its price undercutting, underselling and price suppression, and depression effects, other indicative parameters listed under the Indian Anti-Dumping Rules and Agreement on Anti-dumping have been examined by the Authority to see whether any other factor, other than the dumped imports could have contributed to injury to the domestic industry.

(a) Volume and prices of imports from third countries

57. Imports of the product under consideration from countries other than Thailand and countries already attracting anti-dumping duty in the POI is below 3% of the total imports. It is evidenced from the table below that the import prices from other countries were higher than import price from Thailand.

	2012-13		2013-14		2014-15		POI	
	Qty. (MT)	CIF (Rs/MT)	Qty. (MT)	CIF (Rs/MT)	Qty. (MT)	CIF (Rs/MT)	Qty. (MT)	CIF (Rs/MT)
Thailand	93	108959	1507	129057	1738	135488	10027	113235
Countries attracting anti-dumping duties								
Australia	1378	101033	34	125373	-	-	-	-
EU	5733	104219	306	135450	1022	110803	1239	112548
Singapore	36246	103144	41350	123355	35657	133420	40114	121762

	2012-13		2013-14		2014-15		POI	
	Qty. (MT)	CIF (Rs/MT)	Qty. (MT)	CIF (Rs/MT)	Qty. (MT)	CIF (Rs/MT)	Qty. (MT)	CIF (Rs/MT)
Total countries attracting ADD	43357	103219	41689	123445	36679	132790	41353	121486
Others countries	1449	132401	155	151796	3320	130349	3301	127716
Brazil	-	-	-	-	1749	132328	1229	133882
Japan	-	-	-	-	32	128064	832	122288
USA	285	125810	-	-	1523	127896	1036	126859
Others	1164	134018	155	151796	17	150437	203	117028
Total	44899	104173	43352	123741	41738	132708	54680	120349

(b) Contraction of demand and changes in the pattern of consumption.

58. There has been a constant rise in demand of the product concerned throughout the injury period. Therefore, decline in demand is not as a possible reason of injury to the Domestic Industry.

(c) Developments in technology:

59. Technology for production of the product concerned has not undergone any significant change. Thus, development in technology is also not a factor causing injury to the domestic injury.

(d) Trade restrictive practices and competition between the foreign and domestic producers

60. There is no trade restrictive practice, which could have contributed to the injury to the Domestic Industry as the raw materials as well as the subject goods are freely importable in the country.

(e) Export performance of the domestic industry

61. The Domestic Industry has exported some quantity of the subject goods during the injury investigation period. However, only domestic performance has been considered for this injury analysis purpose. Therefore, performance in the export market has not affected the present injury analysis in any manner whatsoever.

(f) Productivity of the Domestic Industry

62. It is noted that the productivity of the domestic industry has been improving over the injury investigation period.

63. It is thus noted that listed known other factors do not show that the domestic industry could have suffered injury due to these other factors. None of the interested parties has also led any evidence to suggest that the material injury caused to the Domestic Industry is attributable to other known factors. On the other hand, the following parameters show that injury to the domestic industry has been caused by dumped imports:

- a. The imports of subject goods from Thailand were significantly undercutting the prices of the domestic industry in the market. Resultantly, the domestic industry was not able to increase its prices. In fact, the Domestic Industry had to reduce its prices in the POI more than the decline in cost. The price depression and price suppression suffered by the domestic industry is primarily on account of the dumped imports of the product from Thailand.
 - b. The pressure on the domestic prices of the domestic industry led to significant loss of profitability during the POI. The reduction in the prices more than the cost has materially injured the financial performance of the Domestic Industry.
 - c. Performance of the Domestic Industry also was affected adversely in terms of rising inventories in the POI.
64. It is, therefore, concluded that the domestic industry suffered material injury due to dumped imports from Thailand.

K. Magnitude of Injury Margin

Injury Margin

65. The non-injurious price of the subject goods produced by the Domestic Industry determined has been compared with the landed value of the exports from the Thailand for determination of injury margin during POI. The injury margin determined are as under:-

Thailand	Unit	IRPC/IRPC PCC Weighted Average	Others
CIF Value	USD/MT	***	***
Ass. Value	USD/MT	***	***
Landed Value	USD/MT	***	***
Landed Value	Rs. /MT	***	***
Non Injurious Price	Rs./MT	***	***
Injury Margin	Rs./MT	***	***
Injury Margin	%	***	***
Injury Margin	Range	(10) - 0	5 - 15
Exchange Rate: 1USD=Rs. 64.11			

L. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

66. The Authority recognizes that the imposition of anti-dumping duties might affect the price levels of the product in India. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantages gained by dumping practices, prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods. The purpose of anti-dumping duties, in general, is to eliminate

injury caused to the Domestic Industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of anti-dumping duties, therefore, would not affect the availability of the product to the consumers. The Authority notes that the imposition of the anti-dumping measures would not restrict imports from Thailand in any manner and, therefore, would not affect the availability of the product to the consumers. The consumers could still maintain multiple sources of supply.

M. Post Disclosure Statement submissions by the Interested Parties

M1. Post Disclosure Statement submissions by the opposing Interested Parties

Post-disclosure submissions of IRPC and IRPC PCC

67. IRPC and IRPC PCC Company have requested the Authority to confirm that the subject goods exported by them are not causing injury to the Domestic Industry.

Post-disclosure submissions of DOW Chemicals Thailand

68. M/s Dow Chemicals in their comments on the disclosure statement, apart from reiterating their earlier submissions, have stated the following:
- a. That they have provided all the information in relation to their exports from Singapore and nothing is withheld from the Authority. Moreover, the Authority has never instructed them for submitting response of Dow Chemical Singapore.
 - b. That they have voluntarily submitted all the invoices mentioning direct exports of Dow Thailand and exports of Dow Thailand through Singapore on December 28, 2016.
 - c. The Authority has wrongly rejected the claim of individual dumping margin and injury margin for them. Moreover, their claim of normal value could not have been rejected. They also placed reliance of WTO findings and Indian stand in WTO.
 - d. Authority has not correctly made injury analysis and same needs to be relooked at. Moreover, the Authority has failed to analyze the impact of exports made by the Domestic Industry to Sri Lanka below its NIP.

Post-disclosure submissions of M/s Sheela Foam

69. In the post disclosure statement M/s Sheela Foams have stated that:
- a. The disclosure provided hardly covers the material points brought out by them, during the course of the investigation. They further, objected to the imposition of anti-dumping duties on the subject goods from Thailand as Domestic Industry does not have the capacity to cater the complete demand in India.
 - b. They further submitted that department should not impose anti-dumping duties as it will impact the foam manufacturers while the Domestic Industry will maximize its profits.

- c. Duties on Thailand should not be more than duties imposed on Singapore as the price from both the sources are same. They also requested the Authority not to levy anti-dumping duties on the subject goods imported from Thailand.

M2. Post Disclosure submissions by the Domestic Industry

70. Following are in brief the post Disclosure Statement submissions made by the domestic industry:
 - a. That the Authority has provided M/s Dow Chemical several opportunities to prove their case which is unprecedented. Still, they have failed to provide the basic information and therefore, they should be treated as non-cooperative. The proposed approach of the Authority in this case is in line with the approach followed by the Authority in the recent investigations of FSP, Aluminum Road Wheels, Solar Panels, USB, etc., wherein the exporters' questionnaire responses have been rejected in the absence of full information of production and sale of the subject goods claimed to have been exported to India during the POI.
 - b. Without prejudice to the aforesaid, the Domestic Industry submits that no new information/documents submitted by the parties outside the prescribed dates (particularly post-hearing submissions) can be considered as held by the Authority in the anti-dumping investigations concerning CR Coils and Saccharin.

M3. Examination by the Authority

71. The Authority has examined the above arguments of the exporters, importers and the domestic industry. It is noted that some of the submissions are repetitive in nature and have already been dealt with by the Authority in this findings. However the submissions which are being considered relevant are dealt as under:
 - a. With regard to the submission of IRPC and IRPC PCC for confirming the provisional conclusions of the Authority in the Final Findings, the Authority notes that although the exports from IRPC and IRPC PCC are dumped but their landed value of the subject goods in India is above the non-injurious price and therefore, their imports are not causing any injury to the Domestic Industry during the period of investigation. It is further, noted that since India follows lesser duty rule, IRPC and IRPC PCC will not attract anti-dumping duties.
 - b. With regard to the submission of DOW Chemical Thailand that they have reported the entire exports to India and, therefore, they should be granted individual dumping margin, the Authority notes that Dow Chemical has not provided any additional argument in respect of the proposed rejection of their responses. The issue has already been dealt with at appropriate places in these findings.
 - c. With regard to the submission of the Dow Chemical that their normal value should be accepted as per the India's stand in WTO and practice followed by DGAD and other regimes in the world, it is noted that that since the Authority

has rejected the response of Dow Chemicals and treated them as non-cooperative, their data relating to normal value, export price or landed value cannot be accepted.

- d. With regard to the submission of the Sheela Foam that recommendation of anti-dumping duties should not be more than that on Singapore, the Authority notes that the request of the importer is not based on any economic or legal premise. Anti-dumping duties on any country are based on the facts in respect of that source on application of the principle enshrined in the Rules. Further, with regard to the interests of the user industry, it is noted that the application of the lesser duty rule is applied precisely safeguard the interests of the user industry.
- e. With regard to the other issues re-iterated by Sheela Foam, the Authority notes that they have been addressed in relevant paragraphs of this finding and considered in accordance with the established practices and the provisions of law.

N. CONCLUSION

- 72. After examining the submissions made by the opposing interested parties and the domestic industry and issues raised therein; and considering the facts available on record, the Authority concludes that the product under consideration has been exported to India from Thailand below its associated normal value, thus, resulting in dumping of the product. The domestic industry has suffered material injury in respect of the subject goods. The material injury has been caused by the dumped imports from Thailand.

O. RECOMMENDATIONS

- 73. 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 aspects of dumping, injury and the causal link. Having initiated and conducted investigation into dumping, injury and the causal link thereof in terms of the AD Rules and having established positive dumping margins as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that imposition of definitive anti-dumping duty is required to offset dumping and consequent injury. Therefore, the Authority considers it necessary to recommend imposition of definitive anti-dumping duty on imports of the subject goods from Thailand in the form and manner described hereunder.
- 74. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of definitive 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, definitive antidumping duty as per amount specified in the table below is recommended to be imposed from the date of the Notification to be issued by the Central Government, on all imports of the subject goods originating in or exported from Thailand.

Duty Table

S. No.	Heading /Sub Heading	Description of Goods	Country of origin	Country of exports	Producer	Exporter	Amount	Unit of Measurement	Currency
1	3907.20	Flexible Slabstock Polyol of Molecular weight 3000-4000	Thailand	Thailand	M/s IRPC Polyol Company Ltd.	M/s IRPC Polyol Company Ltd.	Nil	MT	USD
2	-do-	-do-	-do-	-do-	M/s IRPC Polyol Company Ltd.	M/s IRPC PCC Company Ltd.	Nil	MT	USD
3	-do-	-do-	-do-	-do-	Any combination other than S. No. 1 and 2	Any combination other than S. No. 1 and 2	135.40	MT	USD
4.	-do-	-do-	-do-	Any other country not attracting anti-dumping duty	Any	Any	135.40	MT	USD
5.	-do-	-do-	Any other country not attracting anti-dumping duty	Thailand	Any	Any	135.40	MT	USD

75. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 3A, 8B, 9 and 9A of the said Act.

76. An appeal against the order of the Central Government arising out of this finding shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

(Inder Jit Singh)
Additional Secretary & Designated Authority