

**F. No. 6/24/2024-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building,
5, Parliament Street, New Delhi -110001**

Dated: 18th August 2025

FINAL FINDINGS

CASE NO-AD (OI)- 22/2024

Subject: Anti-dumping investigation concerning imports of “Liquid Epoxy Resins” originating in or exported from China PR, Korea RP, Saudi Arabia, Taiwan and Thailand.

A. BACKGROUND OF THE CASE

1. Atul Limited and Hindusthan Speciality Chemicals Limited (hereinafter referred to as the “applicants” or the “domestic industry”) filed an application, before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred as the “Act”) and the Customs Tariff (Identification, Assessment, and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the “Rules” or “Anti-Dumping Rules”) for initiation of an anti-dumping investigation concerning imports of the Liquid Epoxy Resins (hereinafter also referred to as the “product under consideration” or the “subject goods” or “LER”) originating in or exported from China PR, Korea RP, Saudi Arabia, Taiwan and Thailand (hereinafter also referred to as the “subject countries”).
2. In view of the duly substantiated application filed by the applicant, the Authority issued a public notice vide Notification No. 6/24/2024-DGTR dated 29th June 2024, published in the Gazette of India, initiating an anti-dumping investigation into imports of the product under consideration from China PR, Korea RP, Saudi Arabia, Taiwan and Thailand in accordance with Rule 5 of the Anti-dumping Rules to determine the existence, degree and effect of any 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:
- a. The Authority notified the Embassies of the subject countries in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with sub-rule (5) of Rule 5 supra.
 - b. The Authority issued a public notice dated 29th June 2024, published in the Gazette of India, Extraordinary, initiating an anti-dumping investigation concerning the import of the subject goods from subject countries.
 - c. The Authority sent a copy of the initiation notification to the Governments 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.
 - d. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Governments 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 provided to other interested parties, wherever requested.
 - e. The Authority sent a notice to known producers/exporters from the subject country, 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. The Authority sent Exporter's Questionnaire to the following known producers/exporters to elicit relevant information in accordance with Rule 6(4) of the Rules:
 - i. Anhui Elite Industrial Co. Limited (China)
 - ii. Sanmu group (China)
 - iii. Shenzhen Jinhua Materials Co. Limited (China)
 - iv. Yanfai Lingyu Powder Machinery Co. Limited (China)
 - v. Kukdo Chemicals (Korea)
 - vi. Kumho Petrochemicals (Korea)
 - vii. JEIL Chemical Co. Limited (Korea)
 - viii. Chang Chun Plastics Limited (Taiwan)
 - ix. Nan Ya Plastics (Taiwan)
 - x. Aditya Birla Chemicals (Thailand) Limited (Thailand)
 - xi. Jubail Chemicals Industries (Saudi Arabia)
 - f. The Embassies of the subject countries in India were requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time limit.
 - g. In response to the initiation of the subject investigation notification, the following producers/exporters from the subject countries have responded by filing a questionnaire response:
 - i. Jiangsu Kumho Yangnong Chemical Co., Limited (China)
 - ii. Nantong Xingchen Synthetic Material Co. Limited (China)
 - iii. Sinochem Plastics Company Limited (China)

- iv. Yangnong Singapore Pte. Limited (China)
- v. Kukdo Chemicals Company Limited (Korea)
- vi. Kumho P&B Chemicals Inc. (Korea)
- vii. Canko Marketing Inc. (Korea)
- viii. Minjin Corporation Limited (Korea)
- ix. Samsung C&T Corporation (Korea)
- x. Wonwoo Trading Co., Ltd. (Korea)
- xi. Aditya Birla Chemicals (Thailand) Limited (Thailand)
- h. The Authority sent Importer's Questionnaire to the following known importers/users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules.
 - i. 3M India Limited
 - ii. Akzo Nobel India Limited
 - iii. Asian Paints Limited
 - iv. Awishkar Associates
 - v. Berger Becker Coating Private Limited
 - vi. Berger Paints India Limited
 - vii. Cipy Polyurethanes Private Limited
 - viii. Hempel Paints India Private Limited
 - ix. Hubergroup India Private Limited
 - x. Jotun India Private Limited
 - xi. Kansai Nerolac Paints Limited
 - xii. Pidilite Industries Limited
 - xiii. Shakti Coatings
 - xiv. Victor Agencies
 - xv. Vimal Intertrade Private Limited
- i. A copy of the initiation notification and non-confidential version of the application was sent to the following associations.
 - i. Indian Paint and Coating Association
 - ii. Indian Paint Association
 - iii. Indian Resins Manufacturers' Association
- j. 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.
- k. In response to the initiation of the subject investigation notification, the following importers/users have responded by filing a questionnaire response:
 - i. Kansai Nerolac Paints Limited
 - ii. Pidilite Industries Limited
- l. Submissions were also received from the following interested parties:
 - i. Indian Paint Association
 - ii. Government of Saudi Arabia
 - iii. Jubail Chemical Industries Co. (JANA), Saudi Arabia
- m. The Authority made available the non-confidential version of the submissions made by the various interested parties. A list of all the interested parties was

- uploaded on the DGTR website along with the instructions to all of them to email the non-confidential version of their submissions to all the other interested parties.
- n. A request was made to DG Systems to provide the transaction-wise details of imports of the 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.
- o. 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.
- p. The period of investigation (POI) for the purpose of the present investigation is 1st January 2023 to 31st December 2023 (12 months). The examination of trends in the context of injury analysis covered the periods 2020-21, 2021-22, 2022-23 and the period of investigation.
- q. 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 findings.
- r. On 23rd August 2024, the Authority conducted a meeting where all the interested parties were invited to discuss and clarify their comments on the scope of the product under consideration and PCN methodology.
- s. The Authority sought further information from the applicants to the extent deemed necessary. The verification of the data provided by the domestic industry was conducted to the extent considered necessary for the purpose of the present investigation. The Authority has considered the verified data of the domestic industry in its analysis of the present case.
- t. The Authority sought further information from the other interested parties to the extent deemed necessary. The verification of the data provided by the other interested parties was conducted to the extent considered necessary for the purpose of the present investigation.
- u. In accordance with Rule 6(6) of the Rules, the Authority provided an opportunity for the interested parties to present their views orally in a public hearing held on 15th April 2025. A second oral hearing was conducted on 23rd May 2025, on account of change in the Designated Authority. 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.
- v. 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 17th July 2024. 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.
- w. Some interested parties have pointed out at some inadvertent errors in the disclosure statement. These concerns correct name of the company, quantum of change in cost of sales, and the growth figures. These have been appropriately considered and corrected, wherever necessary, in the present final findings.
 - x. Information provided by the interested parties on a confidential basis was examined with regard to the 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 a confidential basis were directed to provide sufficient non-confidential version of the information filed on a confidential basis.
 - y. 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.
 - z. The Authority has considered all the arguments raised and information provided by all the interested parties at this stage, to the extent the same are supported with evidence and considered relevant to the present investigation.
 - aa. '****' in this disclosure statement represents information furnished by an interested party on a confidential basis and so considered by the Authority under the Rules.
 - bb. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = ₹ 83.52.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Views of other interested parties

- 4. The submissions of the other interested parties with regard to the product under consideration and like article are as follows.
 - i. The defined scope of the product under consideration is expansive and ambiguous.
 - ii. The Authority did not provide sufficient time to provide comments on the scope of PUC/PCN and denied extension requests, in violation of principles of natural justice.
 - iii. Specialty grade products, namely Next Generation water-based CED paint (BE-188/BE188EL) should be excluded from the scope of the product under consideration as the domestic industry does not produce such grades.
 - iv. Next Generation water-based CED paint (BE-188/BE188EL) has different product characteristics and end-uses as compared to the subject goods produced by the domestic industry. Further, it is priced 5-10% higher than the subject goods.

- v. Such specialty grades are used by OEMs in the automotive sector and are not technically or commercially substitutable with grades produced by the domestic industry.
- vi. BE-188 / BE188EL allow narrower film thickness distribution, reduced paint consumption, enables lower curing temperatures, reduces energy consumption, supports formulation of tin-free CED paints, enables paint with high corrosion resistance and exceptional bath stability, when compared to other LER grades.
- vii. While Grasim Industries has offered samples of the specialty grades, it was found to be inferior viz. particle size, hydrolysable chlorine content, viscosity, amine value, molecular weight, dry film thickness distribution, corrosion resistance, energy consumption, VOC emissions, sustainability profile and lower prices.
- viii. Communications with Atul Limited demonstrate that the domestic industry does not have an approved or market ready substitute for the specialty grades, and the product is in lab testing stage. As a result, the product offered by Atul Limited cannot be used for at least 12-18 months.
- ix. The representative for Atul confirmed that its product is used only for conventional CED paint and not for Next Generation Water-based CED paints.
- x. Since only Grasim Industries has produced samples of the specialty grades which is not part of the domestic industry, such grades cannot be considered as like article.
- xi. Unless the domestic industry demonstrates with verifiable evidence that it has produced and commercially sold the specialty grades, they should be excluded from the product scope.
- xii. If the Authority finds that product produced by domestic industry is a technical substitute to specialty grades BE-188 / BE188L, then exclusion must be made for specialty grades imported for use in Next Generation Water-based CED paints specifically for automotive applications.
- xiii. Other forms of epoxy resins, such as Solid and Semi-Solid Epoxy resins, which have higher epoxy equivalent weight and different CAS numbers must be expressly excluded from the product scope.
- xiv. Epoxy Resins which are not formed from reaction of epichlorohydrin and Bisphenol-A should be excluded, having different viscosity level and CAS number. Thus, Epoxy Resins made of Bisphenol-F, Novolac and Brominated solvent should be excluded.
- xv. Modified Liquid Epoxy Resins should be excluded from the product scope as they are formulations which are modified / diluted with modifiers /solvents /diluent, having specific applications. Further, the application does not mention that such Modified Liquid Epoxy Resins are not included within the product scope.
- xvi. The scope of the product should be limited to the product which has the range of 'equivalent weight below 300 g./eq.
- xvii. The product scope includes LER with EEW \leq 300 g/eq, which is incorrect as product transitions from liquid state to semi-solid state once the EEW reaches or exceeds 250g/eq, and semi-solid LER is already excluded. The Authority must clarify that the product under consideration has EEW of \leq 250 g/eq.

- xviii. Epoxy resins produced using production processes other than the “taffy process” must be excluded.
- xix. The Authority must define the scope of the product using the unique CAS of the LER covered in the product scope (CAS 25068-38-6 and EU’s REACH regulations: CAS 1675-54-3), which would allow for better clarity.
- xx. There exist significant differences in the prices and cost of production of low and high viscosity grade resins, and thus, there is a need to create the following PCNs-

PCN	Parameters	Value	Notation
PCN 1	High Viscosity Grades	11,000-15,000 mPas at 25 C	HV
PCN 2	Low Viscosity Grades	8,000-11,000 mPas at 25 C	LV

- xxi. Owing to the expansive scope of the product under consideration, there is a need to determine the following PCN methodology –

Type	Specification	PCN
Backbone (Chemistry)	Bisphenol A (BPA)	01
	Bisphenol A / Phenol Novolac (BPA/PN)	02
	Phenol Novolac	03
	Bisphenol A / Bisphenol F (BPA/BPF)	04
	Bisphenol F (BPF)	05
	TetraBromo Bisphenol A (TBBA)	06
	Dimerized Fatty Acids	07
	Alkoxylated Bis-phenol A (BPA-PO)	08
	Ortho cresol (O-cresol) Novolac	09
	DiCycloPentaDien novolac (DCPD-NOVOLAC)	10
	Hydrogenated Bisphenol A (HBPA)	11
	Bi-phenyl Novolac	12
	Others	13
Distillation	Non-Distillated	01
	Distillated	02
Modification	Non-modified	01
	Modified	02
Blending material	Not blended	01
	Diluent (resin blended with a reactive diluent)	02
	Waterborne (resin which is dispersed in water using an emulsifier)	03
	Synthetic Rubber (resin with rubber dispersed in the resin)	04
	Other	05
Blending Proportion	Not blended	01
	More than 0% and not exceeding 10%	02
	More than 10% and not exceeding 20%	03

Type	Specification	PCN
	More than 20% and not exceeding 30%	04
	More than 30% and not exceeding 40%	05
	More than 40% and not exceeding 50%	06
	More than 50% and not exceeding 60%	07
	More than 60% and not exceeding 70%	08

C.2 Views of the domestic industry

5. The submissions of the domestic industry with regard to the product under consideration and like article are as follows:
 - i. The product under consideration is limited to Liquid Epoxy Resins and other forms of epoxy resins are not within the product scope.
 - ii. The domestic industry has no objections in providing additional clarifications to the product scope.
 - iii. The domestic industry has no reservations regarding clarification that the product under consideration has an EEW of ≤ 250 g/eq. Further, the Authority made specify the CAS number of LER covered within the product scope.
 - iv. LER can be produced through methods other than the 'taffy process' and the product scope should not be limited by the production process.
 - v. Exclusion of grades BE188 and BE188EL is not warranted since the Indian industry produces and offers substitute grades for the product.
 - vi. As per the brochure of the Taiwanese producers supplying grades BE188 and BE188EL, both the products are essentially the same, except the hydrolysable chlorine percentage which can be modified with minor alteration.
 - vii. BE188 and BE188EL have same end-use applications as any other grade of LER, as per the producer of these grades. Further, the two grades are being imported for non-CED applications as well and thus, are not exclusively used for Next Generation Water-based CED applications.
 - viii. BE188 and BE188EL are being imported at the same price as the average price of other grades of LER, which indicates that the exporters have not charged materially higher price for such grades.
 - ix. Atul Limited, one of the applicants, has produced and regularly sold product comparable to grade BE188 to the users in India. Further, Atul Limited has also produced and supplied product alike to grade BE188EL to users, but the same is currently under internal bureaucratic quality check process of the users, which is beyond the control of the domestic industry.
 - x. Grasim Industries, another Indian producer, has produced and sold substitute grades of BE188 and BE188EL to the users, as admitted by the users.
 - xi. A comparison of the technical parameters establishes that the product produced by the Indian industry has comparable technical characteristics to the imported BE188 and BE188EL.

- xii. Contrary to the arguments of the other interested parties, parameters such as particle size, amine value, molecular weight, dry film thickness distribution and higher corrosion resistance are immaterial to the specifications of the subject goods as seen from the brochures and technical data sheets of the product. Such parameters pertain to downstream CED coatings, which are produced using LER and other raw materials.
- xiii. Considering the similarity in product, price and use, grades BE188 and BE188EL can be used interchangeably with any other grade of LER.
- xiv. Exclusion of BE188 and BE188EL may lead to circumvention of duties and would defeat the purpose of duties, since the grades have the same price and technical parameters as other grades of LER. In the event of exclusion, such grades would be imported for use in other applications as well.
- xv. The Authority, in the investigation concerning Phosphoric Acid, included food grade acid since it was produced by the Indian industry and could be used in place of other grades of acid.
- xvi. Exclusion of Grades BE188 and BE188EL would lead to difficulties in identifying the product at the customs level, since the CAS number for all LERs is same.
- xvii. The U.S. Department of Commerce and the European Commission have declined exclusion of certain product grades to ensure that imports of such grades do not result in possible circumvention.
- xviii. The users have not made efforts to use Indian substitute grades and have preferred imported grade BE188 and BE188EL due to cheap prices. Exclusion of such grades might divert the demand of the users to these grades.
- xix. Exclusion of grades BE188 and BE188EL would frustrate the efforts made by Atul Limited to develop a comparable product.
- xx. There is no need for the creation of a PCN methodology, since the parameters identified by the other interested parties do not have a major impact on the cost or prices of the product.

C.3 Examination by the Authority

- 6. At the stage of initiation, the product under consideration was defined as “Liquid Epoxy Resins”.

“3. The product under consideration in the present investigation is Liquid Epoxy Resins (LER). Liquid epoxy resins are recognized for their role as thermosetting resins, which, upon mixing with a hardening agent, form a material renowned for its corrosion and chemical resistance, with strong adhesive properties.

4. Liquid epoxy resins are thermosetting polymers characterized by the presence of at least two epoxide groups, which are fundamental to the structure and reactivity of epoxy resins. The main chemical reaction for producing Liquid epoxy resins is the reaction between epichlorohydrin and bisphenol-A, in an alkaline medium and under controlled temperature conditions. Liquid epoxy resins exhibit very good

mechanical, adhesive, dielectric, anti-corrosion & chemical resistive properties when combined with appropriate curing agents.

5. Liquid epoxy resins can exist as low or high molecular weight pre-polymers. Due to the nature of its polymerization process, liquid epoxy resins typically exhibits a range of chain lengths, although high purity grades are attainable for specific applications, notably through distillation purification processes. Use of blending, additives and fillers is often referred to as formulating. The product under consideration includes all types and grades of liquid epoxy resins, encompassing various molecular weights, viscosities, and curing times

6. Liquid epoxy resins are widely used as protective coatings, adhesives, construction & civil engineering, marine & underwater, electrical & electronics and composite applications.

7. The PUC is generally imported into India under HS Codes 3907.3010, and 3907.3090 of Schedule I of the Customs Tariff Act, 1975. However, it is possible that the subject goods may also be imported under other headings and therefore, the Customs tariff heading is indicative only and is not binding on the scope of the product. Import data from the DG Systems database has been assessed for the above tariff codes for the purposes of dumping and injury analyses."

7. The Authority granted an opportunity to all the interested parties to file their submissions on the scope of the product under consideration and PCNs. The interested parties were directed to provide comments or suggestions, if any, on the scope of the product under consideration and PCN methodology within 30 days from the date of initiation. Thereafter, comments were received by the Authority from various interested parties. A meeting was held on 23rd August 2024 to finalize the scope of the product under consideration and the PCN methodology.
8. The opposing interested parties argued that the scope of the product under consideration is extensive and there is a need to provide clarifications regarding the same. Further, it was contended that certain product types or grades must be expressly excluded from the product scope, since the product scope as proposed by the domestic industry was ambiguous. Pursuant to these comments, the domestic industry submitted additional clarifications to the product scope. Based on the submissions of the domestic industry and the other interested parties, vide Notice dated 15th October 2024, it was clarified that the scope of the product under consideration is limited to liquid epoxy resin produced by the chemical reaction between epichlorohydrin and bisphenol A, where the equivalent weight of LER is limited to ≤ 300 g/eq. It does not include epoxy resins in solid, semi-solid, solution or waterborne form. It also does not include blended and modified LERs, brominated solvent epoxy resin.

9. However, in their written submissions, the other interested parties have further argued that the equivalent weight of LER should be limited to ≤ 250 g/eq LER, since the product transitions from liquid state to semi-solid state once the equivalent weight of LER exceeds 250 g/eq. Further, the other interested parties also argued that the product under consideration should be defined using the unique CAS number of LER cover in the product scope, that is, CAS 25068-38-6 and EU's REACH regulations: CAS 1675-54-3. The domestic industry has not submitted any objections to such additional clarifications being added in the product scope.
10. The Users' Association argued that there is a need for exclusion of specialty grades BE188 / BE188EL used for manufacturing Next Generation water-based CED paint, on account of the fact the domestic industry neither produced such grades, nor produced and sold any substitute grades. The Association argued that grades BE188 / BE188EL are specialty grades with high prices which have very limited application and result in superior quality downstream products. It was alleged the domestic industry has not commercially sold a substitute to the specialty grades, and its substitute product was only on the testing stage. Further, while Grasim Industries, the other Indian producer, offered a substitute to the specialty grades, such product was inferior in quality. Lastly, the Association contended that in case specialty grades BE188 / BE188EL are not excluded from the product scope, the Authority must exclude BE188 / BE188EL imported for use in Next Generation Water-based CED Paints.
11. On the other hand, the domestic industry submitted that exclusion of grades BE188 / BE188EL is not warranted, since there are no material differences in the technical parameters, end-use and prices of such grades when compared to other grades of LER. The domestic industry submitted that while it regularly produces and sells product comparable to BE188, it has also developed a product comparable to BE188EL and the same has been supplied to customers. However, the product is under internal analysis with the customers. In support, the domestic industry submitted the technical data sheets, sales listing, communications and invoices of comparable grades supplied. Further, the domestic industry also submitted the technical data sheets and sales invoice of the comparable grades produced and sold by Grasim Industries, another Indian producer. Lastly, the domestic industry also submitted the brochure issued by the Taiwanese producer which supplies grades BE188 / BE188EL, to demonstrate similarity of technical parameters in the imported and domestically produced LER grades.
12. The Authority has examined the arguments made by the Users' Association as well as the domestic industry. It is seen that the brochure of the Taiwanese producer which has produced and supplied BE188 and BE188EL grades provides that such grades can be used for casting, potting and encapsulation for electrical components, laminating, impregnations, adhesive and civil engineering applications. Such applications are not specialty applications and are general applications, for which LER of any other grade can also be used.

13. While the other interested parties have submitted communications to show that the domestic industry has not produced substitute grades of BE188 / BE188EL which are ready for commercial sales, the domestic industry has submitted technical data sheets, sales listing and sales invoices of Atul Limited to demonstrate that it has produced and sold a comparable grade of BE188. Such technical data sheet is available on the website of Atul Limited, indicating that the product is offered for sale to customers. The domestic industry has also submitted technical data sheets, email communications and invoice of supply to show that it has produced a substitute of BE188EL, which is pending the internal testing and approval of the customers. Further, it is seen that the technical parameters of the imported grades and the domestic grades are not materially different. The domestic industry has also demonstrated that the average import price of grades BE188 and BE188EL is comparable to the average price of other grades of LER. In contrast, the Association has not submitted any evidence to demonstrate differences in the prices between the alleged specialty grades and other grades of LER.
14. Critically, it is considered that the domestic industry is not required to produce an identical article to the imported products. In the absence of an identical article, an article which has characteristics closely resembling those of the product under consideration may be considered a 'like article'. Therefore, even if there is no production of BE188EL, it cannot be considered that the other grades produced by the domestic industry are not like article to the imported grades. As noted above, despite the claims by the users, grade BE188EL is being used for multiple applications, including applications being supplied by the domestic industry. The domestic industry has also shown that these grades are being imported by the users that do not supply the products for specialty applications. It has not been disputed that the domestic industry is competing with the other grades in these applications. In the present case, it is seen that the product produced by the domestic industry has similar technical characteristics and end-usage as that of the imported grades. Since the domestic industry has produced and offered product grades which have similar technical characteristics as the imported product, exclusion of such grades is not warranted.
15. The other interested parties have admitted that while the other Indian producer, Grasim Industries has produced and supplied substitute grades to BE188 / BE188EL, such product resulted in inferior quality of the downstream product. Based on the technical data sheets submitted by the domestic industry, it is seen that the technical parameters of the product offered by Grasim are similar to the imported product. Thus, differences in the quality of the downstream product cannot be solely attributed to LER supplied by the producer. Further, it is well settled that product quality cannot form basis of product exclusions.
16. In view of the above, it is concluded that grades BE188 and BE 188EL do not have specialized applications and are used for general applications. There are no differences in the price of BE188, BE188EL and other grades of LER. The domestic industry has produced and sold comparable grade of BE188 and has produced BE188EL which is

pending the internal testing of the customers. Further, the Association has admitted that other Indian producer has produced and sold the comparable grades to BE188 and BE188EL. Lastly, it is noted that the scope of the product under consideration, which is to be subject of levy of duty, is to be defined in a manner so as to ensure that the purpose and intent of the levy is achieved. Imposition of anti-dumping duty is intended to safeguard the industry against injurious dumping. In case exclusion of certain products would lead to continued injury to the industry by way of circumvention, then the purpose of such levy would be defeated. In the present case, there are no differences in the technical parameters, usages and prices of BE188, BE188EL and other grades of LER. Further, the CAS number for all LERs is the same. As a result, additional burden would be placed on the Customs authorities for identifying these two specific grades. If grades BE188 and BE188EL are excluded from the scope, the importers would simply bring in grades BE188 and BE188EL and sell the same in the market in place of other grades of LER, thereby frustrating the purpose of the investigation. Accordingly, the exclusion of grades BE188 and BE188EL is not warranted.

17. With regards to the argument of the users' association that they were not given sufficient time to make submissions on the scope of PUC/PCN and that their extension requests were denied, the Authority notes that anti-dumping investigations are time bound and are required to be concluded within a specified time. In any case, interested parties were provided another opportunity to elaborate on the submissions subsequent to the meeting on the scope of PUC/PCN. Further, the interested parties have also been able to raise arguments with regard to scope of product under consideration and PCN, which have been considered by the Authority. Thus, the Authority has provided sufficient time and opportunity to interested parties to make their submissions.
18. Some interested parties argued that there was need to adopt a PCN methodology in the present investigation. Pidilite Industries Limited proposed a PCN methodology on the basis of the viscosity of the products. The user claimed there were differences in the cost of production and selling price between LER of high and low viscosity. However, it is noted that the user did not provide any evidence to demonstrate difference in cost and price of the subject goods with varying viscosity. Further, neither domestic industry nor participating foreign producers have reported significant difference in cost and price of the subject goods with varying viscosity. The claim could not, therefore, be accepted.
19. Some interested parties proposed a PCN methodology on the assumption of a broad scope of the product under consideration. However, since the scope of the product under consideration has been clarified and is not broad as apprehended by the these interested parties, the Authority did not find it appropriate to notify a PCN methodology on this account.
20. Based on the information supplied by the interested parties, the Authority concluded that there is no evidence to suggest significant cost/price differences among various product forms. Accordingly, there was no need for PCN methodology in the subject investigation.

21. Accordingly, the scope of the product under consideration is proposed to be determined as follows.

“3. The product under consideration in the present investigation is Liquid Epoxy Resins (LER). Liquid epoxy resins are recognized for their role as thermosetting resins, which, upon mixing with a hardening agent, form a material renowned for its corrosion and chemical resistance, with strong adhesive properties.

4. It is clarified that the scope of the product under consideration is limited to liquid epoxy resin having CAS number 25068-38-6 and EU's REACH regulations CASE number 1675-54-3, produced by the chemical reaction between epichlorohydrin and bisphenol A, where the equivalent weight of LER is limited to ≤ 250 g/eq. It does not include epoxy resins in solid, semi-solid, solution or waterborne form. It also does not include blended and modified LERs, brominated solvent epoxy resin.

5. Liquid epoxy resins are thermosetting polymers characterized by the presence of at least two epoxide groups, which are fundamental to the structure and reactivity of epoxy resins. The main chemical reaction for producing Liquid epoxy resins is the reaction between epichlorohydrin and bisphenol-A, in an alkaline medium and under controlled temperature conditions. Liquid epoxy resins exhibit very good mechanical, adhesive, dielectric, anti-corrosion & chemical resistive properties when combined with appropriate curing agents.

6. Liquid epoxy resins can exist as low or high molecular weight pre-polymers. Due to the nature of its polymerization process, liquid epoxy resins typically exhibits a range of chain lengths, although high purity grades are attainable for specific applications, notably through distillation purification processes. Use of blending, additives and fillers is often referred to as formulating. The product under consideration includes all types and grades of liquid epoxy resins, encompassing various molecular weights, viscosities, and curing times

7. Liquid epoxy resins are widely used as protective coatings, adhesives, construction & civil engineering, marine & underwater, electrical & electronics and composite applications.

8. The PUC is generally imported into India under HS Codes 3907.3010, and 3907.3090 of Schedule I of the Customs Tariff Act, 1975. However, it is possible that the subject goods may also be imported under other headings and therefore, the Customs tariff heading is indicative only and is not binding on the scope of the product. Import data from the DG Systems database has been assessed for the above tariff codes for the purposes of dumping and injury analyses.”

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1 Views of other interested parties

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

D.2 Views of the domestic industry

23. The domestic industry submitted as follows with regard to the scope of domestic industry and standing:
- i. Apart from the applicants, there is one other producer of the subject goods in the country, which has imported the subject goods from Thailand.
 - ii. The applicants account for 100% of the total eligible Indian production for the subject goods.
 - iii. There are no known differences in the goods produced by the domestic industry and the goods imported from the subject countries.
 - iv. While one of the applicants imported the subject goods in 2020-21, the applicants have not imported the subject goods from the subject countries during the period of investigation, and are not related to any exporter of the subject goods in the subject countries or importer of the subject goods in India.

D.3 Examination by the Authority

24. Rule 2(b) of the Anti-Dumping Rules defines the 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”.

25. The application has been filed by Atul Limited and Hindusthan Speciality Chemicals Limited. The applicants have stated that there is one other producer of the subject goods in the country, Grasim Industries Limited. However, it was claimed that Grasim Industries Limited has imported a significant volume of the subject goods from its affiliated party in Thailand, namely Aditya Birla Chemicals (Thailand) Limited. The affiliated exporter, Aditya Birla Chemicals (Thailand) Limited has filed an exporter questionnaire response and is participating in the present investigation. As per available information, Grasim Industries has imported *** MT of the subject goods, which is ****% in relation to imports into India, and is significant. Further, Aditya Birla Chemicals (Thailand) Limited, who is the sole exporter of the product under consideration from

Thailand, has exported significantly, and exports by the company constitute ***% of total subject imports into India. In view of significant volume of imports made by Grasim and its relationship with the producer/exporter from Thailand, the company is considered ineligible as a domestic producer of the subject goods within the meaning of Rule 2(b) of the Rules. As a result, the production of subject goods by Grasim has not been considered while determining the total Indian production of subject goods.

26. The applicants reported that they have not imported the subject goods from the subject countries during the period of investigation and that they are not related to any exporter of the subject goods in the subject countries or importer of the subject goods in India. Further, the production of the applicants accounts for the entirety of the total domestic production, as can be seen from the table below. Thus, the applicants constitute 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.

Particulars	Unit	Production	Production share
Eligible domestic production			
Applicants	MT	***	100%
Atul	MT	***	***%
HSCL	MT	***	***%
Total eligible domestic production	MT	***	100%
Ineligible domestic production			
Grasim	MT	***	-
Total Indian Production	MT	1,08,777	-

E. CONFIDENTIALITY

E.1 Views of other interested parties

27. The other interested parties have made the following submissions with regard to the confidentiality claimed by the domestic industry.
- The domestic industry has claimed excessive confidentiality and has not provided the write-up on broad stage-wise production process and details of imports made in the form of trend.
 - The domestic industry submitted transaction-wise import details in the oral hearing, including quantity, value, name of importer/customer and date of transaction. Such detailed information cannot be sourced from market intelligence and the domestic industry must disclose its source.

E.2 Views of the domestic industry

28. The domestic industry has made the following submissions with regard to the confidentiality claimed by the other interested parties.
- i. The other interested parties have claimed excessive confidentiality which is in violation of the Trade Notice 10/2018.
 - ii. The foreign producers have claimed the entire production process including raw material used for producing subject goods as confidential. The domestic industry provided the same in its application.
 - iii. All claims to adjustments for normal value and export price comparability have been claimed confidential. Such information is eventually disclosed in the final findings when the Authority discloses the method of adjustments used for reporting claimed adjustments.
 - iv. ABCTL and Kukdo Chemicals have claimed list of products sold and channels of distribution as confidential. Name of the products exported and the value chain for exporting the subject goods to India cannot be claimed confidential.
 - v. ABCTL has made contradictory statements to different questions. It is not clear whether they have made sales of subject goods through related parties or not.
 - vi. Kukdo Chemicals has claimed information regarding list of products, shareholding structure, list of affiliate entities as confidential while such information is easily available in public domain.
 - vii. The importers have claimed the responses to questions as confidential in entirety such as manufacturing process for producing downstream products.
 - viii. Kansai Nerolac has filed the response to questionnaire without registering as an interested party.
 - ix. Kansai Nerolac has claimed response to questions like whether there exist any differences between like article and imported subject goods from subject countries and whether the foreign producers have comparative advantages as confidential. Such information is regarding product scope and is not related to the importer's business.
 - x. Kansai Nerolac has also claimed the list of products produced and response to economic interest questionnaire as confidential to the extent that the domestic industry is not able to understand the information provided in it.
 - xi. Such excessive confidentiality claims are malafide intention to prevent the domestic industry to comment on them and to get away with incorrect claims.

E.3 Examination by Authority

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

"Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule(2) of rule 12, sub-rule(4) of rule 15 and sub-rule

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

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

31. The Authority notes that the domestic industry has claimed confidentiality on information such as various injury parameters, information, evidence and documents relevant or incidental to determination of various injury parameters, production and sales quantity of other domestic producer on the grounds that these are business sensitive information, their disclosure would be of significant competitive advantage to a competitor and their disclosure would be detrimental to bonafide business interests of the domestic industry. The domestic industry has submitted that these information, documents and evidence cannot be disclosed to the other interested parties. Further, the domestic industry has claimed confidentiality on certain information which concerns foreign producers or importers or consumers on the grounds that the said information is not in public domain and the domestic industry has procured the same from confidential or private sources, and disclosure of such information would undermine legitimate business interests of the domestic industry. The other interested parties have also claimed confidentiality with respect to their channels of distribution, expenses incurred for sales in the domestic market and expenses incurred with respect to exports made. The Authority, on being satisfied and having regard to the rules and established practice, has allowed confidentiality on such information, documents and evidence.

F. MISCELLANEOUS SUBMISSIONS

F.1 Views of other interested parties

32. The Users' Association has argued that the Authority did not grant sufficient time to the Association to consult its members and submit written submissions post the second oral hearing conducted due to change in Designated Authority, which has resulted in violation of the principles of natural justice and Rule 6(6) of the Rules.

F.2 Views of the domestic industry

33. The domestic industry has not made any submissions in this regard.

F.3 Examination by Authority

34. With regards to the argument raised by the Users' Association that sufficient time was not granted for preparing written submissions, the Authority notes that the interested party has not provided sufficient reasoning justifying their statement that sufficient time was not granted to them for filing of written submission. The Authority provided sufficient time to all interested parties to reproduce their submissions made during the oral hearing, in writing. None of the parties raised any objections or reservations regarding the time being allowed to file submissions, at the time of the oral hearing. Further, the Authority provided sufficient advance notice of the oral hearing to all interested parties, allowing them to prepare such submissions.

G. NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

G.1 Views of other interested parties

35. The other interested parties have made the following submissions with regard to normal value, export price and dumping margin.
- i. Dumping margin should be based on actual information submitted by the producers and exporters in the response.
 - ii. Exports from Thailand are not being dumped since ABCTL is related to an Indian producer and it is aware of the prices at which it should sell in the market, so as to not cause dumping.
 - iii. The volume of the Saudi imports of the product under consideration into India is negligible and does not exceed 3% of the total imports of India. The EC has determined that no provisional duty should be imposed for exports from Korea on account of de-minimis margins, which indicates that the Korean exporters are not deliberately dumping.
 - iv. All relevant information pertaining to resale of subject imports by related importer of Kukdo Chemicals has been provided in Annexure 14 of the response, and the same was circulated to all interested parties.
 - v. The domestic industry has not established that the export price of Kukdo Chemicals is unreliable and thus, the Authority is not required to consider the resale price of related importer.
 - vi. Kumho has provided evidence to establish that electricity and steam procured from the related party are at arm's length prices.
 - vii. Kumho P&B rented a tank for facilitating bulk sales to a customer in the domestic market.
 - viii. Kumho has demonstrated a link between the imported raw materials consumed in the production of the subject goods, duties paid on imports and duties refunded.

- ix. As regards the claim of the domestic industry that the Chinese exporters have de facto decided non-cooperation by not participating, it should be noted the WTO Anti-dumping Agreement does not provide for a concept of de-facto or de-jure participation or cooperation by the exporters.
- x. As regards the claim of the domestic industry that the participating Chinese exporters have a low volume of imports, there is no legal provision specifying a threshold for export volumes which is considered sufficient for granting individual duties, including comparison of export volumes with total exports. Implementation of such criteria is arbitrary and beyond the scope of prescribed laws.
- xi. Comparison of an original investigation and a new shipper review, as being made by the domestic industry, is not appropriate. In the case of a new shipper review, the exporter can foresee that its export transactions will be the basis of calculating dumping margin and can plan its export sales accordingly; while in an original investigation, the exporter is not aware that any investigation might be initiated in the near future at the time of making exports.
- xii. The Authority has granted individual dumping margins to producers exporting low quantities in the past. Further, the Authority grants individual margins to non-sampled cooperating producers in cases where sampling is undertaken.
- xiii. Contrary to the claim of the domestic industry that the cooperating Chinese exporters have exported for a limited period, there is no legal provision which requires that exports by an exporter should be spread over the period of investigation or not. In any case, the Chinese producers have exported throughout the period of investigation.
- xiv. Price of exports to Cardolite Speciality appear high since majority exports to the customer were made in the first half of the year when the prices were high, and such prices have declined thereafter, as also admitted by the domestic industry. Such prices are also comparable to prices in the domestic market and third countries, as well as prices of other imports into the country.
- xv. The law does not allow cherry picking suitable export transactions while ignoring other to calculate the dumping margin.
- xvi. Application of 'all others rate' cannot be applied to Jiangsu Kumho Yangnong since the exporter has fully cooperated in the present investigation
- xvii. There is no legal provision which provides for determination of dumping and injury margin on quarterly or monthly basis, and the same should be determined on weighted-average basis or on transaction wise basis.
- xviii. Jiangsu Kumho Yangnong has no reservations against calculation of dumping and injury margin on a monthly or quarterly basis.

G.2 Views of the domestic industry

- 36. The submissions of the domestic industry with regard to the normal value, export price and dumping margin are as follows.

- i. China PR should be treated as a non-market economy in accordance with Article 15(a)(i) of China's Accession Protocol and the normal value should be determined in terms of Annexure I, Rule 7 of the Rules.
- ii. The domestic industry has provided information with regard to the normal value for each of the subject countries based on the cost of production in India duly adjusted for price of raw material, power and labour.
- iii. The net export price was determined based on adjustments to the CIF export price on account of ocean freight, inland freight, handling charges, insurance, bank charges, credit cost and commission.
- iv. Responding producers from China account for exports of only 129 MT out of 2,413 MT of total exports from China, indicating that Chinese producers have de-facto preferred non-cooperation.
- v. Jiangsu Kumho Yangnong Chemical Limited and its group company should not be granted individual duty as it has made negligible exports during the period of investigation. Further, the exporter made only 5 transactions during the period, of which four were made to only one user, which were priced higher than other imports.
- vi. The export transactions made between Jiangsu Kumho Yangnong and Cardolite Speciality Chemicals Limited should be disregarded while determining the dumping margin and injury margin since such sales were made to SEZ and did not compete in normal market conditions.
- vii. No justification has been provided for significant differences in the prices offered to Cardolite Speciality and other users.
- viii. All authorities, including DGTR, have prescribed that exporters should undertake a reasonable volume of exports before requesting a new shipper review, and thus, volume of imports cannot be considered irrelevant for determining whether an individual margin should be allowed.
- ix. The Authority should calculate the normal value, export price and landed price for Jiangsu Kumho Yangnong on a monthly or quarterly basis, since the exporter has exported the product only for a few months during the period of investigation, and there was decline in prices of subject goods and costs.
- x. The price for utilities purchased by Kumho P&B Chemicals Inc. from its affiliate should be rejected unless the exporter can demonstrate that such transactions were on arm's length basis.
- xi. Kumho P&B Chemicals should be required to justify, with evidence, the expenses incurred for tank rent.
- xii. The duty drawback adjustment in export price claimed by Kumho P&B should be rejected as no evidence was furnished to demonstrate a link between product under consideration, imported raw material, duty paid and duty refunded.
- xiii. The export price for Kukdo Chemical Company must be determined based on the price at which the goods are resold to first unaffiliated customer. In case the re-sale price by Kukdo Chemical India Private Limited is not provided, the response by the exporter must be rejected.

- xiv. The dumping margin for the subject countries is not only above *de minimis* levels, but also significant.

G.3 Examination by the Authority

37. 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

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);

(b) 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."

38. The Authority notes that the following producers/exporters of the subject goods have filed exporter's questionnaire responses:
- i. Jiangsu Kumho Yangnong Chemical Co., Limited (China)
 - ii. Nantong Xingchen Synthetic Material Co. Limited (China)
 - iii. Sinochem Plastics Company Limited (China)
 - iv. Yangnong Singapore Pte. Limited (China)
 - v. Kukdo Chemicals Company Limited (Korea)
 - vi. Kumho P&B Chemicals Inc. (Korea)
 - vii. Canko Marketing Inc. (Korea)
 - viii. Minjin Corporation Limited (Korea)
 - ix. Samsung C&T Corporation (Korea)
 - x. Wonwoo Trading Co., Ltd. (Korea)

Normal value for China

39. The Authority notes the following relevant provisions with regard to the determination of normal value for China PR. Provisions under Para 7 and Para 8 of Annexure I to the Anti-Dumping Rules are as under:

"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.

"8. (1) The term "non-market economy country" means any country which the designated authority determines as not operating on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise, in accordance with the criteria specified in subparagraph (3).

(2) There shall be a presumption that any country that has been determined to be, or has been treated as, a non-market economy country for purposes of an antidumping investigation by the designated authority or by the competent authority of any WTO member country during the three-year period preceding the investigation is a non-market economy country. Provided, however, that the non-market economy country or the concerned firms from such country may rebut such a presumption by providing information and evidence to the designated authority that establishes that such country is not a non-market economy country on the basis of the criteria specified in sub-paragraph (3)

(3) The designated authority shall consider in each case the following criteria as to whether: (a) the decisions of the concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values; (b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts; (c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and (d) the exchange rate conversions are carried out at the market rate. Provided, however, that where it is shown by sufficient evidence in writing on the basis of the

criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph.

(4) Notwithstanding, anything contained in sub-paragraph (2), the designated authority may treat such country as a market economy country, on the basis of the latest detailed evaluation of relevant criteria, which includes the criteria specified in sub-paragraph (3), has been, by publication of such evaluation in a public document, treated or determined to be treated as a market economy country for the purposes of anti-dumping investigations, by a country which is a Member of the World Trade Organization."

40. At the stage of initiation, the Authority proceeded with the presumption of treating China PR as a non-market economy country. Upon initiation, the Authority advised the producers/exporters in China PR to respond to the notice of initiation and provide information on whether their data/information could be adopted for normal value determination. The Authority sent copies of the market economy treatment/supplementary questionnaire to all the known producers/ exporters in China PR to provide relevant information in this regard.

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

"(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:

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;

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."

42. The Authority notes that while the provisions of Article 15 (a)(ii) of China PR's Accession Protocol have expired with effect from 11th December 2016, the provision under Article 2.2.1.1 of the Anti-Dumping Agreement read with an obligation under 15(a)(i) of the Accession Protocol require criterion stipulated in Para 8 of Annexure 1 of Anti-Dumping Rules to be satisfied through the information/data to be provided in the supplementary questionnaire for claiming MET status. The Authority notes that no producer or exporter from China PR has submitted market economy treatment or supplementary questionnaire response. Therefore, the normal value computation for these producers/exporters is required to be determined in terms of provisions of Para 7 of Annexure-1 of Anti-Dumping Rules.
43. The Authority notes that none of the producers/exporters from China PR has filed the supplementary questionnaire response to rebut the presumptions as mentioned in para 8 of Annexure – I of the Rules. Under these circumstances, the Authority has to proceed in accordance with para 7 of Annexure – I of the Rules.
44. It is noted that paragraph 7 of Annexure-I to the AD Rules stipulates three methods of constructing the normal value for Non-Market Economies: (a) on the basis of price or constructed value in a market economy third country; (b) export price from a third country to other countries, including India; and (c) on any other reasonable basis. The Authority notes that under the provisions of paragraph 7 of Annexure-I to the AD Rules, the normal value must first be determined on the basis of the price or constructed value in a surrogate country, or the price of the exports from such country to other countries, including India.

45. It is noted that other than China PR, the subject goods are majorly produced in and exported from Thailand, Korea RP, Taiwan and Saudi Arabia. However, none of the interested parties has provided any information to suggest that such countries are appropriate for comparison with China, having regard to the level of development of the country or product. Further, each of these countries is allegedly dumping the subject goods into India and are subject countries in the present investigation. In view of the same, the price of exports from the third countries to India cannot be considered for the determination of normal value.
46. In view of the same, the Authority has decided to construct normal value based on the third method, i.e., on any other reasonable basis including the price actually paid or payable in India. The Authority has constructed the normal value on the basis of the price paid or payable in India.
47. For this purpose, the Authority has considered the cost of production of the domestic industry, with a reasonable addition of selling, general and administrative expenses and profits. The normated cost of production of the domestic industry has been considered, after addition of selling, general and administrative expenses, and reasonable profits.

G.4 Export price for China

Export price for Nantong Xingchen Synthetic Material Co. Ltd. and Jiangsu Kumho Yangnong Chemical Co., Ltd.

48. During the period of investigation, Nantong Xingchen Synthetic Material Co. Ltd. (Nantong) and Jiangsu Kumho Yangnong Chemical Co., Ltd. (Jiangsu) are related producers, which have exported *** MT and *** MT respectively, through the following channels.

Nantong Xingchen Synthetic Material Co. Ltd. → Sinochem Plastics Co., Ltd. (related)
→ Customer in India

Jiangsu Kumho Yangnong Chemical Co., Ltd. → Yangnong Singapore Pte. Ltd (related)
→ Customer in India

49. With regards to the arguments of the domestic industry that individual margin should not be determined for Nantong and Jiangsu on account of the low-volume of imports, it is noted that the imports from the producers account for ***% of the total imports from China. The authority has considered the information submitted by exporters in their respective questionnaire responses and has accordingly determined the dumping margin.
50. The exporter has claimed the export price based on the price of sale charged for sales to related exporters. It was confirmed that the exporters have resold the product under consideration at profits. Accordingly, the price charged by such exporters to first unrelated buyer has been considered for determination of export price. Adjustments have

been made for inland freight and credit cost to arrive at the ex-factory price. Thus, the export price at ex-factory level has been calculated as mentioned in the dumping margin table below.

Export price for other producers/exporters in China

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

G.5 Normal value for Korea RP

Normal value for Kukdo Chemical Co., Ltd. (Kukdo)

52. During the period of investigation, Kukdo has sold *** MT of subject goods in the domestic market, whereas it has exported *** MT. Of the total sales in the domestic market, Kukdo has sold *** MT of the product to two related parties in the home market, *** and ***. The related parties have further resold part of the quantity purchased in the domestic market. The Authority notes that the domestic sales in ordinary course of trade are in sufficient volumes when compared with exports to India. For sales to related parties for own consumption, the Authority compared the prices at which the product was sold to related parties and unrelated parties and found the same to be at arm's length prices. For product sold to related parties where the product was resold in the domestic market, the Authority considered the price at which the goods were first sold to an independent customer as the basis for the determination of normal value.
53. To determine the normal value, the Authority has conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of the subject goods. Since more than 20% (***) of the volume was sold at prices below the cost of production, the normal value has been determined based on the price of profitable sales. Kukdo has claimed price adjustments on account of inland freight, handling charges, packing cost and credit cost. The adjustments claimed have been allowed for the purpose of the present disclosure statement. Thus, the normal value at ex-factory level for Kukdo has been calculated as mentioned in the dumping margin table below.

Normal value for Kumho P&B Chemicals Inc. (KPB)

54. During the period of investigation, KPB has sold *** MT of subject goods in the domestic market, whereas it has exported *** MT. All sales in the domestic market have been sold to unaffiliated customers. The Authority notes that the domestic sales in ordinary course of trade are in sufficient volumes when compared with exports to India. To determine the normal value, the Authority has conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of the subject goods. Since more than 20% (***) of the volume was sold at

prices below the cost of production, the normal value has been determined based on the price of profitable sales. KPB has claimed price adjustments on account of inland freight, warehousing expenses, insurance, credit insurance, tank rent, freight to transporter, packing cost and credit cost. The adjustments claimed have been allowed for the purpose of the present disclosure statement. Thus, the normal value at ex-factory level for KPB has been calculated as mentioned in the dumping margin table below.

Normal value for other producers/exporters in Korea RP

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

Export price for Korea RP

56. With respect to the argument of the domestic industry that adjustment on account of duty drawback should not be considered since there is no link between the imported raw materials and the duty refunded, it is noted that the responding exporters from Korea RP have submitted evidence in their questionnaire to demonstrate a link between the raw materials imports for use in production of the subject goods, the duties paid on such imports and the amount of duty drawback refunded. Accordingly, the Authority has allowed an adjustment of account of duty drawback refund to the Korea exporters who have made such claim.

Export Price for Kukdo Chemical Co., Ltd. (Kukdo)

57. During the period of investigation, Kukdo has sold *** MT, out of which company has sold *** MT of subject goods to a related buyer in India namely, Kukdo Chemical India Pvt. Ltd., India, while the balance was sold to unrelated buyers in India.

Kukdo → Kukdo Chemical India Pvt. Ltd (related buyer in India)

Kukdo → Unrelated customers in India

58. The export price has been determined based on the price of sale charged by Kukdo for sales to unrelated customers. Adjustments have been made for ocean freight, insurance inland freight, port and other related expenses, packing cost, credit cost and duty drawback to arrive at the ex-factory price. In case of sales through Kukdo Chemical India, the export price has been determined based on the resale price of the related importer, since such importer has resold the subject goods at loss. The resale price has been adjusted for selling, general and administrative expenses. Thus, the export price at ex-factory level has been calculated as mentioned in the dumping margin table below.

Export Price for Kumho P&B Chemical Inc. (KPB)

59. During the period of investigation, KPB has sold *** MT, out of which company has sold *** MT of subject goods were sold directly, while the balance was exported through unrelated traders to India.

KPB → Unrelated customers in India

KPB → Canko Marketing Inc. → Unrelated customers in India

KPB → Minjin Corporation Limited → Unrelated customers in India

KPB → Samsung C&T Corporation → Unrelated customers in India

KPB → Wonwoo Trading Co., Ltd. → Unrelated customers in India

60. The export price has been determined based on the price of sale charged by KPB for sales to unrelated traders or importer in India. Adjustments have been made for inland freight to warehouse, inland freight to port, warehouse charge, inland insurance, ocean freight, port and other related expenses, overseas insurance, credit insurance, customs broker's fee, packing expense, credit cost, bank charge and duty drawback to arrive at the ex-factory price. Further, where the exporter has resold at a loss, the loss of the exporter has also been adjusted. The landed price has been determined based on the CIF invoice value of the subject goods, as charged by the exporters. Thus, the export price at ex-factory level has been calculated as mentioned in the dumping margin table below.

Export price for other producers/exporters in Korea RP

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

G.6 Normal value for Thailand

Normal value for Aditya Birla Chemicals (Thailand) Limited (ABCTL)

62. During the period of investigation, ABCTL has sold *** MT of subject goods in the domestic market, whereas it has exported *** MT to India. All sales in domestic market have been made to unrelated parties. The Authority notes that the domestic sales in ordinary course of trade are in sufficient volumes when compared with exports to India. To determine the normal value, the Authority has conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of the subject goods. Since more than 20% (***) of the volume was sold at prices below the cost of production, the normal value has been determined based on the price of profitable sales. ABCTL has claimed price adjustments on account of inland freight, inland insurance, packing cost, royalties, bank charges and credit cost. The adjustments claimed, barring indirect selling expenses, have been allowed for the purpose of the present disclosure statement. With regard to indirect selling expenses, the Authority notes that such expenses are not incurred beyond ex-factory level and are, thus, not required to be adjusted to arrive at the ex-factory price. In view of the same, the

Authority has not found it appropriate to adjust such expenses in both normal value and export price. Thus, the normal value at ex-factory level for ABCTL has been calculated as mentioned in the dumping margin table below.

Normal value for other producers/exporters in Thailand

63. 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.

Export price for Thailand

Export Price for Aditya Birla Chemicals (Thailand) Limited (ABCTL)

64. During the period of investigation, ABCTL has sold *** MT, out of which company has sold *** MT of subject goods to a related buyer in India namely, Grasim Industries Limited, while the balance was sold to unrelated buyers in India.

ABCTL → Grasim Industries Limited (related importer in India)

ABCTL → Unrelated customers in India

65. The export price has been determined based on the price of sale charged by ABCTL for sales to unrelated customers. Adjustments have been made for ocean freight, inland insurance, inland freight, brokerage and handling, marine insurance, packing cost, royalties, bank charges and credit cost. In case of sales through Grasim Industries Limited (related importer), the export price has been determined based on the resale price of the related importer, adjusted for selling, general and administrative expenses. It is noted that with respect to export to related company i.e Grasim Industries the exporter has failed to justify with evidence the reason for not charging royalties from the related importer. In the absence of such information, the price to such related importer has been adjusted with respect to royalties at the same rate as charged to other unrelated customers. Thus, the export price at ex-factory level has been calculated as mentioned in the dumping margin table below.

Export price for other producers/exporters in Thailand

66. 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.7 Normal value for Taiwan and Saudi Arabia

67. The Authority notes that none of the producers/ exporters from Taiwan and Saudi Arabia have filed exporter's questionnaire responses. In view of non-cooperation from all

producers/ exporters in Taiwan and Saudi Arabia, the Authority has determined normal value on the basis of facts available in terms of Rule 6(8) of the Rules. The Authority has, therefore, constructed the normal value on the basis of cost of production in India, duly adjusted, including selling, general and administrative expenses and addition of reasonable profits. The constructed normal value so determined is mentioned in the dumping margin table below and the same is indicated in the dumping margin table.

Export price for Taiwan and Saudi Arabia

68. The Authority notes that none of the producers/exporters from Taiwan and Saudi Arabia have filed exporter's questionnaire response. In view of non-cooperation from the producers/exporters from Taiwan and Saudi Arabia, the export price for product under consideration for the subject countries has been computed based on facts available. The export price so determined is mentioned in the dumping margin table below and the same is indicated in the dumping margin table.

G.8 Dumping Margin

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

Producer	Normal Value (USD/MT)	Export Price (USD/MT)	Dumping Margin (USD/MT)	Dumping Margin (%)	Dumping Margin (Range)
<u>China PR</u>					
Jiangsu Kumho Yangnong Chemical Co., Ltd.	***	***	***	***	10-20
Nantong Xingchen Synthetic Material Co. Ltd.					
Any other	***	***	***	***	20-30
<u>Korea RP</u>					
Kukdo Chemical Co., Ltd.	***	***	***	***	25-35
Kumho P&B Chemicals Inc.	***	***	***	***	15-25
Any other	***	***	***	***	40-50
<u>Thailand</u>					
Aditya Birla Chemicals (Thailand) Limited	***	***	***	***	0-10
Any other	***	***	***	***	20-30
<u>Taiwan</u>					
Any	***	***	***	***	10-20

Saudi Arabia					
Any	***	***	***	***	15-25

H. ASSESSMENT OF INJURY AND CAUSAL LINK

H.1 Views of other interested parties

69. The other interested parties have made the following submissions with regard to injury and causal link.
- i. Thailand is not a threat to India, since ABCTL have limited exports to India as compared to its overall production.
 - ii. The volume of imports from China and Saudi Arabia in relation to domestic production and Indian demand was nil initially and imports commenced only in the period of investigation. Further, imports from Korea and Taiwan have remained consistent in relation to production and demand.
 - iii. The increase in the volume of subject imports is only to replace non-subject imports, which have declined sharply over the period.
 - iv. The price undercutting from Saudi Arabia, Taiwan and Thailand is negative, while that from China and Korea is within a narrow margin, which is normal in a competitive market.
 - v. The price undercutting was negative in the last two years of the injury period.
 - vi. The domestic industry has suffered self-inflicted injury as import price declined by 8%, while the selling price of domestic industry declined by 15% as compared to base year.
 - vii. The cost of production of the domestic industry is inflated due to misallocation of expenses and losses, resulting in a high selling price, which is not in consonance with market norms.
 - viii. The selling price of the domestic industry has increased and declined in line with the input costs and has not been impacted by the import prices.
 - ix. The production and domestic sales of the domestic industry have increased in line with an increase in demand despite presence of imports, showing healthy growth.
 - x. The domestic industry increased its capacities and maintained a healthy capacity utilization, reflecting efficient absorption of additional capacities.
 - xi. Increase in the employee workforce of the domestic industry indicates lack of injury, as no injured industry would invest in employment generation.
 - xii. Positive movement in the volume parameters of the industry cannot be ignored while selectively relying on impact on price parameters, as held by the WTO Panel in Thailand H-Beams and by the CESTAT in Bridge Stone Tyre Manufacturing (Thailand) v. DA.
 - xiii. The domestic industry earned profits when its cost increased in 2021-22, but its profits declined in 2022-23 and the period of investigation as its costs declined, which indicates internal inefficiencies.

- xiv. While the industry was profitable in the first two years, it incurred losses only in 2022-23 and period of investigation. Further, Atul Limited has reported substantial profit in the overall business segment of 'Performance and other chemicals' in 2022-23 and 2023-24, which includes LER.
- xv. The Authority is requested to verify information regarding profitability since the product under consideration is a specific type of LER, its cost of production would not be separately maintained and would be combined with other types of epoxy resins. Further, it must be ensured that cost of production and losses are appropriately allocated to the product under consideration and other products in the segment.
- xvi. There is no threat of further injury to the domestic industry as the imports have increased in line with demand growth, while the prices of the domestic industry have moved in line with its costs.
- xvii. Producers in China and Korea do not have idle capacities which can be diverted to India. Further, India accounts for only 5% of the total sales of such producers.
- xviii. The domestic industry has failed to demonstrate how excess idle capacity in subject countries will cause injury to domestic industry.
- xix. The domestic industry has relied on speculative projections of capacity expansions and has not shown any imminent and clearly foreseen threat from such expansions, as prescribed by the CESTAT in the case of Indian Spinners v. Designated Authority.
- xx. The European Commission has determined that no provisional duty should be imposed for exports from Korea on account of de-minimis margins, which indicates that the Korean exporters are not deliberately dumping.
- xxi. Imports from subject countries are not causing any injury to the domestic industry and injury, if any, is due to other factors.
- xxii. The increase in depreciation and interest costs suggests that capital burden or financial restructuring inefficiencies may have caused high pricing and an inflated NIP.
- xxiii. Accumulation of inventories, despite increasing sales, indicates overproduction or inability to sell due to poor planning or marketing inefficiencies.
- xxiv. The profitability of the domestic industry has been adversely impacted due to increased input costs and volatility in raw material prices, as admitted by Atul in its Annual Reports.
- xxv. Large-scale capital expenditure and capacity expansion may have caused strain on the profitability of domestic industry. Further, surplus capacities of the domestic industry, in excess of Indian demand may also be leading to increased costs.
- xxvi. Injury to the domestic industry is likely on account of plant shutdowns pursuant to COVID-19 pandemic.
- xxvii. The domestic industry is not backward integrated and is dependent on imports for key raw materials on which there are existing customs duties in place, resulting in higher costs.
- xxviii. The decline in the export selling price of the domestic industry was higher than its domestic selling price, which indicates absence of correlation between the sales

price and subject imports. The decline in the export price of imports is akin to the decline in export price of the domestic industry.

- xxix. Atul Limited has admitted to overall decline in sales price in 'Performance and other chemicals segment', which shows that price decline is not limited specifically to product under consideration.
- xxx. The domestic industry previously requested termination of anti-dumping investigation stating that fluctuations in market situation likely impacted the competitiveness of the industry. Therefore, the current situation of the industry can also be attributed to such market fluctuations.
- xxxi. No adjustments should be made to the landed value beyond customs duty and surcharge. Adjustments, if any, should be made to the non-injurious price, which is a constructed notional value.

H.2 Views of the domestic industry

- 70. The following submissions have been made by the domestic industry to demonstrate that the domestic industry has suffered injury and that there is causal link between dumping and injury.
 - i. The volume of imports from the subject countries increased throughout the injury period and was the highest during the period of investigation.
 - ii. The volume of imports increased by 162% over the injury period.
 - iii. Despite no demand-supply gap in the country, the subject imports continued to enter the Indian market at cheap prices.
 - iv. The rate of increase of subject imports has outpaced the increase in demand over the injury period.
 - v. The domestic industry was in stiff price competition with the subject imports and as a result, the domestic industry has sold at prices comparable to the import price.
 - vi. Price undercutting is positive on a monthly basis.
 - vii. The mark-up of import price over raw material cost has reduced by 50% over the injury period.
 - viii. During the period of investigation, the domestic industry sold the subject goods much below its costs, in order to be able to maintain its place in the market, since the landed price of the subject imports was very low.
 - ix. While the cost of sales of the domestic industry increased over the period, the selling price of the domestic industry declined, as the subject imports suppressed and depressed the domestic prices.
 - x. The price competition with the imports forced the domestic industry to compromise on its profitability.
 - xi. The domestic industry faced significant losses, cash losses and it earned a negative return on its investments.
 - xii. While the domestic industry compromised on its profitability, it was able to maintain its production and sales.

- xiii. Since imports were available at cheap prices, the domestic industry lost its market and was unable to sell its complete production, thereby resulting in the piling up of inventories.
- xiv. The ability of the domestic industry to raise capital has been adversely impacted.
- xv. Grasim Industry has also faced injury due to dumping of subject goods from subject countries.
- xvi. It is not mandatory that all injury parameters must show a negative trend. An industry can face injury despite witnessing growth in some parameters. In the present case, the domestic industry has faced decline in its profitability parameters.
- xvii. The increase in the number of employees was due to capacity expansion undertaken by domestic industry.
- xviii. The injury to the domestic industry is not caused by any other factors.
- xix. Contrary to claims of the other interested parties, the interest and depreciation cost per unit has declined, and any increase on a total basis is due to increase in domestic sales and apportionment of the expenses on a methodology linked to such sales.
- xx. The interested parties have failed to provide evidence that Covid Pandemic has caused injury to the domestic industry.
- xxi. Injury to the domestic industry has to be seen as it is and factors inherent to the domestic industry such as lack of backward integration is irrelevant for causal link and non-attribution analysis.
- xxii. The domestic industry has faced higher financial losses in its domestic operations as compared to losses suffered for its export operations.
- xxiii. The statements in the annual report are not limited to subject goods and refer to a larger product segment including other chemicals which have a larger share in the overall turnover and operations of the company.
- xxiv. The other interested parties have not submitted any evidence to show that abnormal market situation existed during the period of investigation which caused injury to the domestic industry.
- xxv. The subject imports are threatening to cause further injury to the domestic industry.
- xxvi. The rate of increase of subject imports has outpaced the increase in demand and such imports are entering the market at significantly low prices.
- xxvii. The producers in China and Korea have significant idle capacities, which are much higher than their domestic demand.
- xxviii. The producers in China and Korea have undertaken capacity expansions, despite excess idle capacities.
- xxix. The subject imports are subject to anti-dumping duty in US and Europe, which implies such imports are dumped in other markets as well.
- xxx. Contrary to the claim of the other interested parties, a negative determination by another authority does not imply that Korea producers are not dumping the subject goods in India.
- xxxi. The Authority is requested to examine and determine the landed value for exporters and non-injurious price as per applicable laws.

H.3 Examination by the Authority

71. 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.
72. The Authority has examined the arguments and counterarguments of the interested parties with regard to injury to the domestic industry. The injury analysis made by the Authority hereunder addresses the various submissions made by the interested parties.

H.3.1 Cumulative assessment of injury

73. 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.
74. 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.
75. 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, Korea RP, Thailand, Taiwan and Saudi Arabia on the domestic industry.

H.3.2 Volume effect of the dumped imports

a) Assessment of demand / apparent consumption

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

Particulars	Unit	2020-21	2021-22	2022-23	POI
Demand including captive					
Domestic industry (Sales + captive)	MT	***	***	***	***
Trend	Indexed	100	117	135	160
Other Indian producers (Sales + captive)	MT	***	***	***	***
Trend	Indexed	100	119	144	167
Subject imports	MT	9,182	15,085	18,155	23,276
Other imports	MT	22	0	13	0
Total demand	MT	***	***	***	***
Trend	Indexed	100	124	148	176
Demand excluding captive					
Domestic industry (Sale)	MT	***	***	***	***
Trend	Indexed	100	116	144	172
Other Indian producers (Sale)	MT	***	***	***	***
Trend	Indexed	100	102	124	138
Subject imports	MT	9,182	15,085	18,155	23,276
Other imports	MT	22	0	13	0
Total demand	MT	***	***	***	***
Trend	Indexed	100	121	147	175

77. It is seen that the demand for the subject goods has increased throughout the injury period and was the highest during the period of investigation.

b) Import Volumes from the subject countries

78. 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 transaction-wise import data procured from DG Systems. The import volumes of the subject goods from the subject country and share of the dumped import during the injury investigation period are as follows:

Particulars	Unit	2020-21	2021-22	2022-23	POI
Subject imports	MT	9,182	15,085	18,155	23,276
Korea	MT	6,929	10,693	11,858	13,866
Thailand	MT	1,282	2,688	4,110	5,570
Taiwan	MT	926	1,356	1,276	1,130
China	MT	7	60	263	1,914
Saudi Arabia	MT	38	288	648	797
Other Countries	MT	22	0	13	0
Total imports	MT	9,204	15,086	18,168	23,276
Subject import in relation to:					
Indian production	%	***	***	***	***
Trend	Indexed	100	149	171	204
Consumption	%	***	***	***	***
Trend	Indexed	100	132	134	144
Total imports	%	100%	100%	100%	100%

79. It is seen that-
- The subject imports have increased significantly over each year during the injury period. As compared with 2020-21, the imports have increased by 153% in the period of investigation.
 - The imports from the subject countries constitute the entirety of the imports into the country.
 - The imports in relation to production have increased throughout the period, having increased by 104% since the beginning of the injury period. This is despite the fact that the domestic industry had actually added capacities during the injury period.
 - The imports have also shown an increase in relation to consumption throughout the injury period. During the period of investigation, the imports have increased by 44% in relation to consumption, as compared to the beginning of the injury period.
80. Further, with the capacity expansion undertaken by Grasim Limited in December 2023, the Indian industry has sufficient capacity to cater to the present and foreseeable demand in the country. It is also noted that the imports have increased at a faster rate than the increase in demand. Compared to the base year, while the demand increased by 76%, the imports increased by 153%.

Particulars	Unit	2020-21	2021-22	2022-23	POI
Subject imports	MT	9,182	15,085	18,155	23,276
Change	%		64%	20%	28%
Merchant demand	MT	***	***	***	***
Change	%		21%	22%	19%

H.3.3 Price effect of the dumped imports

81. 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

82. 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 selling price	₹/MT	***
Landed Price	₹/MT	1,77,378
Price undercutting	₹/MT	***
Price undercutting	%	***%
Range	Range	(1)-1%

83. It is seen that during the period of investigation, the domestic industry has sold the subject goods at a price comparable to the import prices. This shows that there is price competition in the market and the domestic industry is not able to charge a price materially different from than the prices in the market. The domestic industry has also highlighted that, in order to sell the subject goods at prices comparable to the import price, the domestic industry has been forced to sell goods at a loss.

b) Price suppression/depression

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

Particulars	Unit	2020-21	2021-22	2022-23	POI
Cost of Sales	₹/MT	***	***	***	***
Trend	Indexed	100	170	145	101
Net sales realization	₹/MT	***	***	***	***
Trend	Indexed	100	167	117	85
Landed Price	₹/MT	1,88,667	3,32,092	2,47,515	1,77,374
Trend	Indexed	100	176	131	94

85. It is noted that the cost of sales and selling price of the domestic industry as well as the landed price increased till 2021-22, but declined thereafter. While the cost of sales of the domestic industry declined by 16% in 2022-23, the decline in selling price was at double the rate, by 30%. Since 2022-23, the landed price of subject imports was below the cost of sales of the domestic industry. During the period of investigation, the selling price declined in line with the cost of sales, with further reduction in landed price. An examination of trends from the base year shows that while the cost of sales of the domestic industry has increased by 1% over the injury period, the selling price of the domestic industry has declined significantly by 15%, pursuant to a decline in landed price. 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

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

a) Production, capacity, capacity utilization and sales volumes

87. Capacity, production, sales and capacity utilization of the domestic industry over the injury period were as below:

Particulars	Unit	2020-21	2021-22	2022-23	POI
Installed Capacity	MT	***	***	***	***
Trend	Indexed	100	100	116	126

Particulars	Unit	2020-21	2021-22	2022-23	POI
Production	MT	***	***	***	***
Trend	Indexed	100	128	142	167
Capacity Utilization	%	***	***	***	***
Trend	Indexed	100	128	122	133
Domestic Sales	MT	***	***	***	***
Trend	Indexed	100	116	144	172
Export Sales	MT	***	***	***	***
Trend	Indexed	100	348	256	215
Captive consumption	MT	***	***	***	***
Trend	Indexed	100	118	125	146

88. It is seen that –

- The installed capacity of the domestic industry has increased over the period. This is because both the applicants have undertaken capacity expansion.
- The production, capacity utilization and sales of the domestic industry have increased over the period. The increase in the volume parameters is attributable to both the increase in demand and increase in capacity of the domestic industry.
- The domestic industry has contended that the increase in sales has been achieved by matching the import prices and selling the subject goods at losses.

b) Market share

89. The market share of the domestic industry and of imports was as shown in the table below:

Market share	Unit	2020-21	2021-22	2022-23	POI
Excluding captive consumption					
Domestic industry	%	***	***	***	***
Trend	Indexed	100	96	97	98
Other Indian producers	%	***	***	***	***
Trend	Indexed	100	84	84	78
Subject imports	%	***	***	***	***
Trend	Indexed	100	136	134	145
Other Imports	%	***	***	***	***
Trend	Indexed	100	0	40	0
Including captive consumption					
Domestic industry	%	***	***	***	***
Trend	Indexed	100	94	91	91
Other Indian producers	%	***	***	***	***
Trend	Indexed	100	96	97	95
Subject imports	%	***	***	***	***
Trend	Indexed	100	132	134	144

Market share	Unit	2020-21	2021-22	2022-23	POI
Other Imports	%	***	***	***	***
Trend	Indexed	100	-	40	-

90. It is seen that the market share of the domestic industry and the domestic producers as a whole has declined significantly over the period. In particular, the Indian industry has lost market share in merchant demand each year. On the other hand, the market share of the subject imports in merchant demand has increased by 44%.

c) Inventories

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

Particulars	Unit	2020-21	2021-22	2022-23	POI
Opening Inventory	MT	***	***	***	***
Closing Inventory	MT	***	***	***	***
Average Inventory	MT	***	***	***	***
Trend	Indexed	100	111	231	323

92. It is seen that the average inventories of the domestic industry have continuously increased over the injury period. Over the injury period, the average inventories with the domestic industry increased by 223%.

d) Profitability, cash profits and return on capital employed

93. Profitability, return on investment and cash profits of the domestic industry over the injury period are given in the table below:

Particulars	Unit	2020-21	2021-22	2022-23	POI
Cost of sales	₹/MT	***	***	***	***
Trend	Indexed	100	170	145	101
Selling price	₹/MT	***	***	***	***
Trend	Indexed	100	167	117	85
Profit/ (loss)	₹/MT	***	***	***	***
Trend	Indexed	100	106	(410)	(203)
Profit/ (loss)	₹ Lacs	***	***	***	***
Trend	Indexed	100	123	(590)	(348)
Cash Profit	₹ Lacs	***	***	***	***
Trend	Indexed	100	107	(220)	(104)
Return of capital employed	%	***	***	***	***

Particulars	Unit	2020-21	2021-22	2022-23	POI
Trend	Indexed	100	90	(168)	(79)

94. It is noted that that –

- a. The domestic industry was earning profits till 2021-22. However, the domestic industry started to face losses in 2022-23, and such losses continued during the period of investigation.
- b. Whereas the cost of sales increased over the injury period, the selling price declined. As a result, even when the domestic industry was able to increase its sales volumes, its profitability declined very significantly over the injury period. Both cost of sales and selling price increased in 2021-22 in tandem. Thereafter, even when the cost of sales declined in 2022-23, the decline in the selling price was so steep that the domestic industry suffered significant financial losses in this period. While the profitability improved slightly during the period of investigation, the domestic industry continued to be in losses.
- c. Over the injury period, the profitability of the domestic industry has deteriorated sharply.
- d. The domestic industry incurred cash losses and earned negative returns on its investment. Whereas the domestic industry earned cash profits and positive return on capital employed in 2020-21 and 2021-22, the same became negative thereafter in 2022-23 and remained negative in the period of investigation.
- e. During the period of investigation, the domestic industry earned a negative return on investment of ****%, whereas it had a positive return on investment of ****% in the base year.

95. With regards to the argument of the other interested parties Atul Limited has reported substantial profit in the overall business segment of 'Performance and other chemicals' in 2022-23 and 2023-24, which includes the product under consideration, it is noted that the information in the Annual Reports of a company relate to the operations of the company as a whole, including the export sales. However, the present injury analysis pertains to only domestic sales of the domestic industry. Further the 'Performance and other chemicals' segment of the applicant related to a large product segment of company, which includes the larger basket of all kinds of epoxy resins, whereas the current examination is limited to the parameters of liquid epoxy resins of the description covered within the product scope. Therefore, statements made in the Annual Reports of the application pertaining to wider product segment cannot be relied upon.

e) Employment, productivity and wages

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

Particulars	Unit	2020-21	2021-22	2022-23	POI
No. of employees	Nos.	***	***	***	***
Trend	Indexed	100	126	119	133
Salaries & Wages	₹ Lacs	***	***	***	***
Trend	Indexed	100	117	118	139
Productivity per day	MT/Days	***	***	***	***
Trend	Indexed	100	128	142	167
Productivity per employee	MT/Nos	***	***	***	***
Trend	Indexed	100	102	120	125

97. It is noted that the performance of the domestic industry improved in terms of number of employees and wages & salaries over the injury period. Further, productivity per day and productivity per employee improved over the injury period. The domestic industry has not claimed injury on this account.

f) Growth

Particulars	Unit	2020-21	2021-22	2022-23	POI
Production	%	-	28%	11%	17%
Domestic sales	%	-	16%	23%	19%
Profit / Loss	%	-	6%	-488%	51%
Cash Profits	%	-	7%	-306%	52%
Return on capital employed	%	-	-10%	-285%	53%

98. It is noted that the volume parameters have shown positive growth. However, growth in respect of the profitability parameters was negative in 2022-23. the domestic industry has continued to face losses and earned significantly negative returns on its investments. Therefore, the domestic industry has faced negative growth in respect of price parameters.

g) Impact on the ability to raise capital investment

99. Though the domestic industry has increased its capacities, it has incurred significant losses and is facing negative returns. The EBIDTA was negative during the period of investigation and 2022-23. The domestic industry has not earned sufficient profits to even cater to its present interest obligations. While the subject goods are part of a large product portfolio for the domestic industry, the decline in the financial performance has adversely affected the domestic industry's capability to raise capital for the subject goods.

h) Factors affecting prices

100. It is noted that the domestic industry has been forced to compete in the market by matching the import prices. As a result, domestic industry has not been able to hold its prices since 2022-23 and was forced to reduce beyond the cost reductions. The imports have forced the domestic industry to sell the goods below cost. Thus, the subject imports have affected the prices of the domestic industry. Consideration of the import prices from subject countries, change in the cost structure, competition in the domestic market, and other factors that might be affecting the prices of the domestic industry in the domestic market shows that the landed value of imported subject goods from subject countries caused significant price suppression and depression in the Indian market. There is no viable substitute for this product. It is also seen that demand for the subject goods has shown an increase and this could not have been a factor affecting domestic prices. The domestic industry submitted that, in order to maintain its place in the market, the only option with the domestic industry is to align the product prices to the import prices. The domestic industry further submitted that consumers have been negotiating the prices with the domestic industry on the basis of imported product prices. Thus, the principal factor responsible for the domestic industry prices is the landed prices of the subject goods.

i) The magnitude of dumping

101. There is significant dumping of the subject goods from the subject countries which has impacted the conditions of fair competition in the market.

H.3.6 Overall assessment of injury

102. The examination of the imports of the subject product and the performance of the domestic industry clearly shows that:
- i. The volume of imports from the subject countries has increased significantly in absolute terms. The volume of imports increased by 153% over the injury period.
 - ii. The imports have increased significantly in relation to Indian production and in relation to the domestic consumption.
 - iii. The subject imports were commanding the entirety of imports into India.
 - iv. The domestic industry was selling the subject goods at a price comparable to the price of imports.
 - v. During the period of investigation, the landed price of the subject goods was significantly below the cost of sales.
 - vi. While the cost of sales of the domestic industry increased over the period, the selling price of the domestic industry declined in line with the decline in the landed price of imports.
 - vii. The volume parameters of the domestic industry have shown improvement with an increase in capacity and demand in the country.
 - viii. The market share of the domestic industry and Indian industry as a whole declined, while that of the imports increased.
 - ix. The domestic industry was unable to dispose of its complete production, thereby resulting in an increase in inventories.

- x. Decline in the selling prices despite an increase in cost of sales over the injury period resulted in significant deterioration in financial performance of the domestic industry. The domestic industry faced significant losses, cash losses and it faced a negative return on its capital employed, from a situation where the domestic industry was in profits and earned cash profits and positive return on investments earlier.
 - xi. While the volume parameters of the domestic industry witnessed growth, the same were at the cost of price parameters. The profitability and consequently cash flows and return on capital employed of the domestic industry declined steeply over the injury period.
 - xii. The imports have adversely impacted the ability of the domestic industry to raise further capital investments.
 - xiii. The imports are adversely affecting the prices of the domestic industry.
 - xiv. The dumping margin is positive and significant.
103. In view of the foregoing, the Authority concludes that the domestic industry has suffered material injury.

H.3.7 Threat of further injury

104. The domestic industry has claimed that while it suffered injury during the period of investigation due to the dumped imports, such imports are threatening to cause further injury to the domestic industry. In this regard, the Authority notes as below.

a. Significant rate of increase in imports

105. The domestic industry has submitted that the volume of dumped imports has increased exponentially over the injury period increase during the injury period, which is higher than the increase in demand. It is seen that, as compared to the beginning of the injury period, while the demand for the subject goods has increased by 76%, the volume of imports has increased by 153%.

Particulars	Unit	2020-21	2021-22	2022-23	POI
Subject imports	MT	9,182	15,085	18,155	23,276
Change	%		64%	20%	28%
Merchant demand	MT	***	***	***	***
Change	%		21%	22%	19%

b. Trade actions by other countries

106. It is noted that the exports of subject goods from the subject countries are subject to trade remedial measures in other jurisdictions. The U.S. Department of Commerce has imposed anti-dumping and anti-subsidy duties on exports from China PR, Korea RP, Taiwan and Thailand in the range of 5% to 355%. Further, the European Commission has issued preliminary findings and determined a dumping margin in the range of 10% to

49% for exports from China PR, Taiwan and Thailand. The domestic industry has claimed that since the major export destinations for the subject goods are imposing measures or will impose final measures, such markets would be closed to the exporters in China and the exporters in the subject countries are likely to divert their exports to India.

c. Sufficiently freely disposable and idle capacities in the subject countries

107. The domestic industry has submitted that the Chinese producers hold production capacities to the tune of 3,600 KT, while the Korean producers hold production capacities of 900-1,000 KT. As against such capacities, the domestic demand in China is known to be around 1,500 – 1,700 KT, while the domestic demand in Korea is around 150 – 170 KT. It is seen that the Chinese producers are likely to be holding idle capacities of upto 1,900 KT, while the Korean producers hold idle capacities to the tune of 830 KT.

108. Based on the information on record, the Authority notes the capacity and production in subject countries as under.

Particulars	China	Korea	Thailand	Total
Capacity	6,00,000	6,78,573	1,10,000	13,88,573
Production	4,68,950	4,28,756	79,724	9,77,430
Capacity Utilization	78%	63%	72%	70%
Idle Capacity	1,31,050	2,49,817	30,276	4,11,143

Volumes in MT

109. From the information above, it is evident that the idle capacities in the subject countries are massive, compared to the demand in India. The Authority also notes that the idle capacities are high presently, despite the fact that only one producer from China, accounting for only 7% of the imports therefrom has cooperated in the investigation. Therefore, the idle capacities on record are understated on account of non-participation. Even then, the total idle capacities in the subject countries, based on only the cooperative producers are 4,11,143 MT, compared to a merchant demand of only 71,980 MT. Such idle capacities, if diverted to Indian market, are likely to pose significant threat to the Indian industry, considering the other major markets have already imposed trade remedial measures.

d. Capacity expansion in the subject countries

110. The domestic industry has also submitted information to show that in addition to the existing idle capacities in China and Korea, the producers/ exporters have further expanded their capacities during the recent period, as can be seen from the table below.

Company	Country	Capacity (KT)
Kumho P&B Chemicals Inc.	Korea	60

H.3.8 Non-attribution analysis and causal link

111. 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

112. It is noted that, barring the subject countries, there are no significant imports from any other country. Therefore, the injury is not attributable to imports from third countries.

b) Contraction in demand

113. The Authority notes that the demand for the subject goods has increased through the injury period and the domestic industry has not suffered injury due to a contraction in demand.

c) Pattern of consumption

114. No material change in the pattern of consumption of the product under consideration has been identified, which could have caused injury to the domestic industry. Rather, changes in the consumption pattern are in favour of the product, as is seen in the growing demand for the product.

d) Conditions of competition and trade restrictive practices

115. The Authority notes that there is no evidence of conditions of competition or trade restrictive practices that are responsible for the claimed injury to the domestic industry.

e) Developments in technology

116. The Authority notes that no evidence of change in technology have been brought on record that could have caused injury to the domestic industry.

f) Productivity

117. The Authority notes that the productivity of the domestic industry has increased over the injury period. Therefore, the domestic industry has not suffered injury on this account.

g) Export performance of the domestic industry

118. 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

119. The Authority has only considered data relating only to the performance of the subject goods. Therefore, the performance of other products produced and sold is not a possible cause of injury to the domestic industry.

120. With regards to the argument of the other interested parties that injury to the domestic industry is due to their inefficiencies on account of lack of backward integration, the Authority notes that it is well settled that the injury to the domestic industry has to be seen as it exists. The Authority has consistently taken this view in past investigations, which has also been upheld by the Tribunal in the case of Nippon Zeon Co. Ltd. V. Designated Authority. The view of the Authority also finds support in the findings of the Appellate Body in European Union – Anti-dumping Measures on Biodiesel from Argentina [DS473/AB/R].

“7.522. Argentina primarily takes issue with the EU authorities' conclusion that the structure of the EU industry was not a cause of injury. The two factors, namely lack of vertical integration and lack of access to raw materials, identified by Argentina, essentially are inherent features of the EU domestic industry that, according to Argentina, render it less competitive than the Argentine producers. In our view, however, this line of argument is premised on a misreading of Article 3 of the Anti-Dumping Agreement and its various paragraphs, including Article 3.5. The concept of injury envisaged by Article 3 relates to negative developments in the state of the domestic industry. Article 3 is not intended to address differences in the structure of the domestic industry as compared to that of the exporting Member. Rather, it is clear from the text of Article 3.5 and from its indicative list of such "other factors" – which all pertain to developments in the situation of the domestic industry – that the authority is not required to conduct a non-attribution analysis with respect to features that are inherent to the domestic industry and have remained unchanged during the period considered by the investigating authority for purposes of its injury analysis.”

121. Thus, the fact that the plants of the domestic industry are not vertically backward integrated, cannot be a cause of injury to the domestic industry.
122. With regards to the argument that injury to the domestic industry is likely on account of increased depreciation and interest cost, it is seen that the per-unit depreciation and interest costs of the domestic industry have actually declined over the injury period. Thus, the same cannot be cause of injury to the industry.

Particulars	Unit	2020-21	2021-22	2022-23	POI	Change
Interest	₹ Lacs	***	***	***	***	9%
	₹ /MT	***	***	***	***	-36%
Depreciation	₹ Lacs	***	***	***	***	14%
	₹ /MT	***	***	***	***	-34%

H 3.9 Conclusions on causal link

123. 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 into the country, which has increased the demand for the subject goods.
 - ii. The volume of imports from the subject countries increased throughout the injury period and were the highest during the period of investigation, having increased by 153%.
 - iii. The volume of imports has increased despite no demand-supply gap in the country.
 - iv. While the prices of the subject goods increased till 2021-22, it declined thereafter, forcing the domestic industry to reduce its prices. As a result, the domestic industry was in stiff price competition with the subject imports.
 - v. Due to the increased dumped imports, the domestic industry sold the subject goods below its costs, in order to retain its place in the market.
 - vi. The prices in the market forced the domestic industry to compromise on its profitability. As a consequence, the domestic industry faced significant losses, cash losses and it earned a negative return on its investments.
 - vii. The domestic industry has faced negative EBIDTA during the period of investigation.
 - viii. The market share of the domestic industry has reduced, despite it selling at losses. The Indian industry as a whole has lost market share.
124. The Authority, thus, concludes that there exists a causal link between the dumping of the subject goods and injury to the domestic industry.

I. MAGNITUDE OF INJURY MARGIN

125. The Authority has determined non-injurious price for the domestic industry on the basis of principles laid down in the Rules read with Annexure III. The non-injurious price of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The non-injurious price has been considered for comparing the landed price from the subject country for calculating the injury margin. For determining the non-injurious price, the best utilisation of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilisation of production capacity over the injury period has been considered. It is ensured that no extraordinary or non-recurring expenses are charged to the cost of production. A reasonable return (pre-tax @ 22%) on 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 being followed.
126. The landed price for the cooperative exporters has been determined on the basis of the data furnished by the exporters. For all the non-cooperative producers/exporters from the

subject countries, the Authority has determined the landed price based on the facts available.

127. 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:

Producer	Non-Injurious Price (USD/MT)	Landed Price (USD/MT)	Injury Margin (USD/MT)	Injury Margin (%)	Injury Margin%
					(Range)
<u>China PR</u>					
Jiangsu Kumho Yangnong Chemical Co., Ltd.	***	***	***	***	0-10
Nantong Xingchen Synthetic Material Co. Ltd.					
Any other	***	***	***	***	10-20
<u>Korea RP</u>					
Kukdo Chemical Co., Ltd.	***	***	***	***	10-20
Kumho P&B Chemicals Inc.	***	***	***	***	5-15
Any other	***	***	***	***	25-35
<u>Thailand</u>					
Aditya Birla Chemicals (Thailand) Limited	***	***	***	***	0-10
Any other	***	***	***	***	10-20
<u>Taiwan</u>					
Any	***	***	***	***	0-10
<u>Saudi Arabia</u>					
Any	***	***	***	***	0-10

J. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

J.1. Submissions by other interested parties

128. The other interested parties have made the following submissions with regard to the Indian industry's interest.
- Imposition of anti-dumping duties would increase the cost for the downstream users.
 - A duty of 10% would result in the price increase of 2-4% of the downstream product.

- iii. Imposition of duties will increase the prices of end products like putty and adhesives, etc. and the burden will eventually fall on the end customers. This will impact the purchasing power of the consumers.
- iv. The purpose of a trade remedial investigation is not served by creating a protective umbrella for goods not currently supplied by the domestic industry.
- v. Imposition of duties would cause hardships for consumers of certain grades with specialty applications since such grades are not produced by the domestic industry.
- vi. Imposition of duties on critical raw materials for users, which are not made domestically, will disrupt value-added exports, ultimately increasing the trade deficit.
- vii. Indian industry does not have sufficient capacity to meet demand and is in the process of capacity expansions.
- viii. Imposition of duty would force users to pass on the burden of additional duties to the retail consumers, leading to an increase in prices for end-products like putty and adhesives.
- ix. Imposition of duties would adversely impact the costs of the user industry, forcing them to use lesser quantity of epoxy and compromise on the quality of the end-product.
- x. There are occasional supply delays due to shipment issues of upstream raw materials like Bisphenol-A, Epichlorohydrin, etc. to the factories of domestic producers which creates the supply delays of product under consideration to the user industry. The supply of the subject goods by the domestic industry is inconsistent. Further, domestic industry also uses the subject goods to captively produce formulated products, resulting in limited supply to users.

J.2 Submissions by the domestic industry

129. The domestic industry has made the following submissions with regard to the Indian industry's interest.
- i. Imposition of anti-dumping duties would have negligible impact on downstream users as imposition of duty of 10% would lead to 0.5% increase in cost for the users.
 - ii. The domestic industry has increased capacity to cater to the increasing demand in India.
 - iii. Further, Grasim Limited, has also added capacity in December 2024. Further capacity expansion is being undertaken by Kukdo Chemicals and DCM Shriram Limited. With such additions, the Indian industry has capacity to cater to the present and future demand in the country.
 - iv. The product under consideration is also available for supply from European Union, Japan, Brazil and America.
 - v. Significant capacity additions have been undertaken in China.
 - vi. The exporters in subject countries are subjected to anti-dumping investigation in USA and EU, and thus, such markets are likely to be closed for the exporters.

- vii. Imposition of duties is essential to establish fair market conditions and to preserve foreign exchange which would be otherwise utilized in payments for importing subject goods.
- viii. LER is majorly used in sectors which can absorb any cost increases. Further, the coating of industrial paint sector usually aligns its prices as per LER prices, and the eventual impact on the consumers would be negligible.
- ix. The consumption of the subject goods is not linked to its prices, since consumption of the product increased in 2021-22 even when the price of subject goods increased significantly during the period.
- x. Imposition of duties would contribute to the forex savings for the country.
- xi. Imposition of duties would ensure that the domestic industry is healthy, which is in the interests of the users since the exporters would exploit the users in order to maximize their profits.

J.3 Examination by the Authority

- 130. 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. Anti-dumping duty is not merely a regulatory measure, but a matter of public interest. The imposition of anti-dumping measures is not designed to curtail imports from the subject countries. 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 continuation of these measures. Far from diminishing competition, imposition of anti-dumping measures serves to prevent unfair advantages gained 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.
- 131. 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.
- 132. The Authority notes that the Indian industry has heavily invested to expand its capacities for production of subject goods and make India self-reliant. According to the domestic industry, the Indian Industry have rapidly expanded its capacities to fulfil the present and foreseeable demand in the country. The domestic industry increased its capacities during the injury period itself. Post POI, Atul Limited and Grasim Industries have further increased their capacities. Moreover, Kukdo Chemicals Limited is in the process of

setting up capacities of 60KT in India, with another capacity addition being planned by DCM Shriram.

133. The domestic industry has further 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 European Union, America, Brazil and Japan. Therefore, should the procurement from the subject countries be hampered, the users would be free to source the subject goods from the domestic industry and from other countries at competitive prices.
134. The users have argued that imposition of duties would increase the prices for the downstream users, have quantified that an anti-dumping duty of 10% would lead to a price increase of 2-4%. In contrast, the domestic industry has contended that imposition of anti-dumping at the rate of 10% would result in a negligible increase of 0.5% in the cost of the downstream users.

Particulars	Remarks	Unit	Values	Label
Selling Price of the Epoxy Primer		₹/kg	235	A
Approximate Quantity of the Solid Epoxy Resin in the Epoxy Primer	10% in terms of weight	kg	0.10	B
Liquid Epoxy Resin to Solid Epoxy Resin		%	73%	C
Quantity Consumption of Liquid Epoxy Resin		kg	0.073	D = B*C
Landed Price of Liquid Epoxy Resin		₹/kg	178.47	E
Cost of Liquid Epoxy Resin in Epoxy Primer		₹/kg	13.03	F = D*E
Anti-dumping Duties		%	10%	G
Increase in cost on account of Anti-dumping Duties		₹/kg	1.30	H = F*G
Increase in the cost as a % of selling price		%	0.55%	I = H/A

135. 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.
136. While it has been argued that the burden of price increases would be passed on the consumers, thereby limiting the demand for LER, the domestic industry has submitted that the upto 55% of LER is consumed in adhesive, construction and composite sectors, for which LER does not constitute a major cost item, and such segments generally absorb

any cost changes. The remaining LER is consumed by coating of industrial paint industry. Even if the paint industry passes on the cost increase to its consumers, the ultimate impact on the end-consumers would be negligible. Further, it is seen, that the demand for the subject goods has increased throughout the period despite any changes in the price. While the price of the subject goods doubled in 2021-22, the demand for the product continued to increase. Therefore, there is no evidence on record to indicate that the prices of the product under consideration directly impact the demand thereof from the user industry.

137. The Authority further notes the exporters in the subject countries are facing anti-dumping investigations in two major markets, USA and EU. Further, there is a significant oversupply situation in the Chinese, Taiwan, South Korea and Thailand market due to excessive capacity expansions, which is another large market of subject goods. Considering the same, India emerges as a lucrative market for the producers in the subject countries which will further deteriorate the performance of the domestic industry and continue to cause increased injury to the domestic industry.

K. POST-DISCLOSURE COMMENTS

138. 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 17th July 2025. 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

K.1. Submissions by other interested parties

139. The following post-disclosure comments have been made by the other interested parties:
- a. Despite the generic statement by Taiwanese producer in its brochure, BE188 and BE188EL are selected for high-performance uses such as in Next Generation Water-Based CED Paints by OEMs in automotive industry. In any case, product classification cannot be based on potential uses, but actual commercial usage, pricing behaviour and technical requirements of end users. In particular, the price of specialty grades is 14% higher than other products.
 - b. The product supplied by Atul remains under user trials, with final approval still pending. Despite repeated and cooperative efforts by IPA members to explore equivalence, no technical confirmation was obtained during or after the period of investigation. In absence of a domestically approved or accepted alternative, a product cannot be included within product scope.
 - c. The apprehension that the exclusion of BE188 and BE188EL would facilitate circumvention of anti-dumping duty is speculative, as these grades are much more expensive.

- d. The discretion to exclude Grasim Limited must be exercised after examining the quantum and price of imports by the producer, from its affiliate. Once the producer is excluded, their capacity cannot be included to determine demand-supply gap.
- e. The domestic industry has failed to provide a non-confidential summary of manufacturing process and imports made by it.
- f. As per the import data made available by Department of Commerce of India for HS Codes 3907 3010 and 3907 3090, the imports from Saudi Arabia are less than 3% of total imports. The Authority has not disclosed the methodology used to select transaction-wise data, by which the imports from Saudi Arabia exceed 3% of total imports.
- g. The fact that subject imports are replacing non-subject imports, and that production, sales and capacity utilization of domestic industry increased, indicates that imports are not competing on detrimental terms with the domestic industry. Therefore, cumulative assessment of injury is not appropriate.
- h. The domestic industry has reduced its price at a faster rate than the decline in import price, and the price undercutting is negative. Further, the landed price has declined due to market forces.
- i. The increase in production, sales, capacity utilization, employees and productivity of the domestic industry shows absence of injury. Findings on price suppression and impact on investment are inconsistent with such growth and expansion.
- j. The positive movement in certain parameters cannot be ignored, as observed by the WTO Panel in Thailand-H-Beams. Further, as held by CESTAT in Bridge Stone Tyre Manufacturing v. DA, injury cannot be concluded based on selective reliance on price undercutting and price underselling, without considering overall situation of the domestic industry.
- k. While the data shows a 1% increase in cost of sales, the Authority has noted that the cost of sales increased by 7%.
- l. While the Authority has noted that the losses and cash losses declined in period of investigation compared to previous year, the growth table shows negative growth, which is incorrect.
- m. Considering the increase in volume, the decline in market share could be due to other factors. The subject imports have not displaced the share of the domestic industry, but of other imports. If the domestic industry reduced its prices to gain more market share, it would imply self-inflicted injury to the domestic industry.
- n. The market share of domestic industry has not declined significantly, as noted in Disclosure Statement. The market share of Indian industry as a whole is not relevant.
- o. The fact that the domestic industry earned profits when its costs were high, but went into losses when its costs declined suggests internal inefficiencies.
- p. The domestic industry has not reasonably demonstrated excess capacity in the subject country.
- q. Mere existence of idle capacities is not sufficient to conclude threat, as held in Indian Spinners v. Designated Authority, unless accompanied by an imminent and clearly foreseeable shift of goods to India. The Authority has also not evaluated the

availability of other export markets or domestic absorption capacity in subject countries.

- r. While the Disclosure Statement shows capacity expansion by Jiangsu Kumho, no capacity expansion has been undertaken by the producer.
- s. While the Authority has concluded that there is capacity expansion in subject countries, there is no evidence to conclude that the capacities would be used for exports, or would result in excess production for export. It has also not be considered whether the new capacities are meant for captive use, replacement of old lines, or other products, making the finding speculative.
- t. Kumho P&B Inc. was one of the sampled exporters in the anti-dumping investigation conducted by European Union and was found to not be dumping.
- u. The Customs duty from Bisphenol A and Epichlorohydrin has changed to 7.5% vide Notification No. 2/2021- Customs, in 2021-22. Therefore, the change in Customs duty has caused injury to the domestic industry.
- v. The plants of the domestic industry were shut down during the Covid-19 pandemic in the base year. Further, the domestic industry has suffered injury due to increase in depreciation and interest cost.
- w. The losses of the domestic industry are on account of the increase in capacity, as it would take some time to stabilize operations.
- x. Change in cost structure, competition in domestic markets, overproduction and other factors might be affecting prices of the domestic industry.
- y. The annual report of Atul Limited shows that there was an overall decline in the sales price in performance and other chemical segments, and not merely of the subject goods.
- z. The domestic industry has previously admitted that market situation of epoxy resins can be the reason affecting competitiveness of the domestic industry, as noted by the Authority in the termination letter dated 15th January 2019.
- aa. The subject goods cannot be imported from other countries.
- bb. The imposition of duties would increase the prices for the downstream users to the extent of 2-4%, which will force the consumers to shift to unqualified products, impacting the quality of downstream products.
- cc. The downstream industry would be unable to absorb the cost increase, and the would be forced to reduce the epoxy component in downstream products, compromising quality thereof.
- dd. Even a small increase in cost can significantly increase niche sectors where margins are tight and technical specifications are critical.
- ee. The downstream industry, particularly those involved in value-added exports, cannot indefinitely absorb increased raw material costs, without compromising on competitiveness or quality.
- ff. Price inelasticity observed during demand growth phases does not guarantee future resilience of cost increases become persistent or substantial.
- gg. The imposition of anti-dumping duty on speciality grades of LER, which are not manufactured by domestic industry, would disrupt supply chains and increases costs for downstream industries, without any benefit in competition fairness.

- hh. A return of 22% should not be allowed for determination of non-injurious price, as held by CESTAT in *India Spinners Association v. Designated Authority and Bridge Stone Tyre Manufacturing v. Designated Authority*.
- ii. The spelling of Kumho P&B Chemical Inc., Jiangsu Kumho Yangnong Chemical Co., Ltd. and Nantong Xingchen Synthetic Material Co., Ltd. has not been correctly recorded in certain places.
- jj. The export price and landed price for Jiangsu Kumho Yangnong Chemical Co., Ltd. and Nantong Xingchen Synthetic Material Co., Ltd. should be confirmed in the final findings.

K.2. Submissions by the domestic industry

140. The following post-disclosure comments have been made by the domestic industry
- a. The non-injurious price for the domestic industry should be re-determined inasmuch as the bank charges, corporate overheads and other administrative overheads have been determined by dividing the same with optimum production value, while the value of such expense was quantified using sales value ratio.
 - b. It is a well-settled principle that the volume used for quantifying the expenses and volume used for determining per unit costs cannot be different.
 - c. The landed price of Kukdo Chemicals should be adjusted for the selling, general and administrative expenses and reasonable profits of the related importer, as done for export price.

K.3. Examination by the Authority

141. 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.
142. 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.
143. Certain interested parties have reiterated their request for exclusion of BE188 and BE188EL on the basis that such grades cannot be considered as normal grades of Liquid Epoxy Resin solely on the ground of end-usage described by the Taiwanese producer. The parties claimed that Taiwanese producer has merely highlighted potential uses. It has been highlighted that the actual commercial usage, pricing behaviour, and technical

requirements of end-users are required to be considered to determine comparability. Further, it has been contended that grades BE188 and BE188EL are priced 10-15% above the domestic LER grades, which shows that such grades are high performance premium products. Lastly, the parties have argued that the product supplied by Atul Limited is pending approval and no technical confirmation has been received till date.

144. The Authority has carefully examined the information submitted by the other interested parties as well as the domestic industry. Based on the information submitted, the Authority has examined various technical and commercial aspects regarding the grades BE188, BE188EL and grades sold by the domestic industry, the applications of the products, and the pricing of the products. The following is noted with regards to the grades in question.
145. The Authority notes that the evidence on record does not demonstrate that the domestic industry has not supplied a grade having comparable characteristics to the imported goods. The contention of the parties rests on the premise that the domestic industry has not supplied a grade used for Next Generation Water-Based CED Paints by OEMs. However, the grade BE188 and BE188EL are not being imported solely for these applications. The DG Systems data shows that the same grades are also being imported by users, that use the same for other applications, such as manufacture of adhesives/putties. There is no dispute that the domestic industry is supplying products to the same users, which are used in the same applications. Therefore, even if the domestic industry has not supplied a product with the same hydrosylable chlorine content, it does not imply that the product supplied by the domestic industry is not like article to the imported product. Slight differences in certain technical characteristics of the product, does not imply that the products are not comparable.
146. While the other interested parties have argued that grades BE188 and BE188EL have premium pricing, the domestic industry has submitted that such grades are not priced at a premium. The Authority has examined the DG Systems data for the product under consideration. It is noted that the price of imports of BE188 and BE188EL is comparable to the price of imports of any other form of LER. In fact, in case of imports from Taiwan, the price of imports of the claimed speciality grades is below the price of other grades; whereas in case of imports from China, the difference is only 0.4%.

Country	Grade	Volume (MT)	Price (Rs./MT)
China	BE188+Be188EL	10	1,57,605
	Others	1,905	1,56,939
	Difference		0.4%
Taiwan	BE188+BE188EL	569	1,70,770
	Others	561	1,73,843
	Difference		-2%

147. Based on analysis of the brochure of the Taiwanese producer technical data sheets of the domestic industry, the Authority notes that imported grades BE188 and BE188EL and the domestic grades have same or similar technical parameters such as appearance, epoxy equivalent weight, viscosity and hydrolysable chlorine content. A comparison of technical data sheets for Lapox B-11, produced and sold by the domestic industry during the period of investigation, submitted by the domestic industry, with technical parameters for BE188 and BE188EL reveals as below.

Property	Unit	BE-188	BE-188EL	Lapox B-11 supplied by Atul Limited
Appearance	-	Clear transparent liquid	Clear transparent liquid	Clear viscous liquid
Epoxy Equivalent Weight	g/eq	182 – 192	182 – 192	184 - 191
Epoxy value	Eq/kg	5.21 – 5.49	5.21 – 5.49	5.25 – 5.45
Viscosity at 25°C	mPA.s	11000-15000	11000-15000	11000 - 15000
Hydrolysable chlorine	%	≤ 0.10	≤ 0.03	≤ 0.05

148. There is comparability of technical and physical characteristics between BE188EL supplied by Taiwan and Lapox B-11 supplied by Atul Limited. The only difference between the two is the difference in hydrolysable chlorine, which is lower in case of BE188EL. However, the two are comparable in respect of other parameters.
149. It has been argued that grades BE188 and BE188EL are used for Next Generation Water-based CED paints by OEMs in automotive industry. However, the import data shows that grade BE188 and BE188EL has been purchased by multiple users, including users which are using the same for other than paint applications. Therefore, the use of the application is not exclusive to use in Next Generation Water-Based CED Paints. The use of BE188 and BE188EL overlaps with the same applications as that for the LER supplied by the domestic industry. Therefore, if such grades are excluded from levy of duty, it would defeat the purpose of duty, as such grades can be imported for other applications as well.
150. The Authority further notes domestic industry has regularly produced and supplied product similar to grade BE188. In this regard, the Authority has examined the technical data sheet of the product, the sales register of the domestic industry and sample invoices showing regular sales of the product to users. The comparison of the domestic and imported product shows that the Lapox B-11 supplied by the domestic industry has comparable characteristics to the imported BE188.
151. With regards to grade BE188EL, it is noted that the domestic industry has supplied a product with comparable characteristics, which was used in other applications. The

contention of the interested parties is that the product of the domestic industry cannot be used for production of Next Generation Water-Based CED Paints. The domestic industry has already undertaken production of product identical to grade BE188EL. The Authority has examined the technical data sheets, email communications and invoice of supply of the product. Comparison of the specifications of the product supplied by the domestic industry and the imported BE188EL is below.

Property	Unit	BE-188EL	Lapox B-11 ED
Appearance	-	Clear transparent liquid	Clear viscous liquid
Epoxy Equivalent Weight	g/eq	182 – 192	184 - 191
Epoxy value	Eq/kg	5.21 – 5.49	5.25 – 5.45
Viscosity at 25°C	mPA.s	11000-15000	11000 - 15000
Hydrolysable chlorine	%	≤ 0.03	≤ 0.03

152. While the other interested parties have claimed that product similar to BE188EL is under trial, it is noted that product trials being undertaken by the users cannot be treated as non-supply on the part of domestic industry. In any case, the Authority has also examined the sample invoices for the other Indian producer, Grasim Industries, which has supplied the same grade, with identical product specifications.

Property	Unit	BE-188EL	Epotec YD 128 (variant)
Appearance	-	Clear transparent liquid	Clear transparent liquid
Epoxy Equivalent Weight	g/eq	182 – 192	186-190
Epoxy value	Eq/kg	5.21 – 5.49	5.26 - 5.38
Viscosity at 25°C	mPA.s	11,000-15,000	12,500-14,500
Hydrolysable chlorine	%	≤ 0.03	≤ 0.02

Therefore, Grasim has also supplied product with comparable characteristics as the imported BE188EL.

153. Therefore, while the domestic industry has already supplied like article with comparable characteristics to the imported BE188EL, other domestic producer has also supplied like article in the form of identical article to the imported BE188EL. Further, the domestic industry has already produced and supplied the identical article for trial by the consumer.
154. Based on the above and the information and evidence submitted on record by various parties, it is noted that the domestic industry has supplied like article, with comparable characteristics to the imported BE188 and imported BE188EL. While the interested parties have contended that the grades BE188 and BE188EL only be used for Next Generation Water-based CED paints, the import data shows that the same have also been

used in other applications, such as in production of adhesives / putty. The domestic industry has also supplied the like article for such applications during the period of investigation. Therefore, contrary to contention of interested parties, the domestic industry has produced like article, that is, article having comparable characteristics to the imported product, during the period of investigation itself. The DG Systems data also shows that BE188 and BE188EL are not priced higher than the price of other products, and the prices of such grades are comparable to the other grades. Further, while the domestic industry had already supplied like article, Grasim Limited has also supplied a grade having equivalent Hydrolysable chlorine to the imported BE188 EL. In absence of price difference, absence of specificity of application, and lack of significant difference in technical characteristics, other grades of LER can be technically and commercially substituted by grades BE188 and BE188EL. Accordingly, the Authority notes that exclusion of grades BE188 and BE188EL would be counter to purpose of the present investigation, and no case has been made out for such exclusion.

155. With regards to the claim that the discretion to exclude Grasim Limited must be exercised after examining the quantum and price of imports, the Authority notes that the imports by Grasim are significant and account for more than 20% of the total imports into India. Further, the exports by Aditya Birla Chemicals (Thailand) Limited account for 100% of imports from Thailand and 25% of the subject imports into India. The price of such imports has been found dumped and injurious. Therefore, Grasim has been rightly treated ineligible to constitute domestic industry.
156. The Authority has re-examined the arguments regarding confidentiality of the interested parties. The interested parties have argued that the domestic industry has claimed the manufacturing process and details of imports by it, as confidential. The Authority finds that the manufacturing process has already been given in the non-confidential version of the application filed by the domestic industry. As regards the details of imports, the Authority had already stated in the notice of initiation that the applicants had stated that they had not imported the subject goods. Therefore, no prejudice has been caused to the interested parties by the domestic industry claiming such information as confidential, since the fact was already known to the parties since the initiation of investigation.
157. The interested parties have argued that since Grasim is not eligible to constitute domestic industry, its production cannot be considered for examination of demand supply gap. The argument is not logical and does not have any merit. Firstly, demand-supply gap in the country cannot be a justification for dumping of the product in the country, particularly when it is causing material injury to the established domestic industry in India. Secondly, the factual position with regard to demand and supply in the country is required to be examined considering total demand in the country and total capacity in the country. Whether a producer is a part of domestic industry, ineligible to be a part of domestic industry, or chooses not to be a part of domestic industry, is irrelevant for determination of the total Indian capacity for the product, and demand-supply gap in the country.

158. With regard to the claim that the subject imports have only displaced other imports, the Authority finds that the increase in subject imports was so significant that it has displaced the market share of domestic industry, other domestic producers, and other imports. While the volume of other imports has declined, such decline was by only 22 MT, in contrast to a much larger increase in the volume of subject imports. In any case, substitution of fair priced imports by dumped imports is required to be addressed through anti-dumping duty, if such dumping has caused material injury to the domestic industry.
159. The interested parties have contended that the domestic industry has reduced its prices at a much faster rate than the decline in import price, and the price undercutting is negative. In this regard, the Authority notes that, in the base year, the imports were priced much lower than the prices of the domestic industry. As the imports increased over the period, the lower import prices have clearly exerted a strain on the prices of the domestic industry, forcing the domestic industry to reduce its prices during the period of investigation. During the period of investigation, the difference between the landed price of imports and the selling price of the domestic industry was only 0.3%. This shows that the domestic industry has been forced to reduce the price due to dumped goods. It is also noted that the interested parties have not given any evidence that the domestic industry forced the foreign producers to reduce the prices. The Authority does not find any merit in the contention that the landed price declined due to market forces, since the data filed by the cooperating producers clearly demonstrates dumping in the Indian market. The dumping margin in the present case has been established on the basis of questionnaire responses filed by these foreign producers. Further, it is found that the injury margin is lower than the dumping margin.
160. The interested parties have argued that the positive movement in certain parameters cannot be ignored, as noted by WTO Panel in Thailand H-beams and by the CESTAT in Bridge Stone Tire Manufacturing vs. Designated Authority. The Authority notes that all injury parameters have been objectively analyzed in the injury analysis conducted. The Authority has taken due cognizance of the fact that the capacity, production, sales, capacity utilization, employees, salaries and wages, and productivity of the domestic industry have increased. It is seen that such increase is predominantly a result of increase in capacity of the domestic industry. Merely because the domestic industry increased its capacity during the injury period, which resulted in improvement in its volume parameters and the manpower employed in the plant, it cannot be concluded that the domestic industry has not suffered injury, particularly when its performance has significantly deteriorated in respect of parameters such as profits, cash profits and return on investment. Whereas the domestic sales of the domestic industry increased by more than 70% over the injury period, its profits, cash profits and ROI declined by 303%, 204% and 173%. The Authority considers that in a situation where the volume parameters of the domestic industry show such significant growth, the price parameters should have rather shown better growth.

161. As noted in the disclosure statement, despite increase in capacity by the domestic industry, the imports have increased at a faster rate than the increase in demand. As a result, the domestic industry has in fact, lost market share to the subject imports. Had the imports not been adversely affecting the domestic industry, it would have been reasonable to expect that the market share of the domestic industry shows an increase after undertaking capacity expansion. However, as a result of dumping of the subject goods into the country, the trends show the opposite.
162. In this regard, the Authority notes that while the factors as listed under Article 3.4 of the WTO Agreement are required to be examined, there is no requirement that each of the factors listed must show injury, or a positive movement in any or some factors indicates absence of injury to the domestic industry. The Authority notes that it is well established legal position that all economic parameters need not show deterioration or injury, and improvement in some parameters does not mean absence of injury to the domestic industry. In the present case, where the price parameters have shown so significant deterioration, improvement in the volume parameters does not imply absence of injury to the domestic industry. A domestic industry is not expected to produce and sell the product to suffer financial losses, cash losses and negative return on investment, that too when the foreign producers have been found to have resorted to dumping.
163. The Authority notes that, had the imports not been adversely affecting the domestic industry, the domestic industry would have earned higher profits, cash profits and return on investment than the past, considering the economies of scale that flow to a business enterprise with increase in volumes.
164. With regard to the argument that the domestic industry earned profits when the costs were high, but went into losses when costs declined, the Authority notes that the same rather establishes injury. Profits of the domestic industry should have increased with the decline in the costs. However, profits, cash profits and return on investments have shown steep decline over the injury period, despite these admitted decline in the costs. Further, domestic industry was earning profits when the volume and market share of imports were lower. However, as the foreign producers engaged in dumping of the subject goods, the profitability of the domestic industry deteriorated steeply and to such an extent that it suffered cash losses and negative return on investment.
165. With regard to the information concerning idle capacities, planned capacity expansions and imposition of duties by other jurisdictions, the interested parties have disputed that the Authority does not have complete facts to arrive at an appropriate determination in this regard. In particular, the interested parties contend that the Authority has not examined the availability of other export markets or domestic absorption capacity in subject countries. It has also been contended that there is no evidence to show that the idle capacities would be used for exports or would result in excess production for exports. Lastly, the parties believe that the Authority should have examined whether the new capacities planned are meant for captive use, replacement of old lines, or other product.

In the absence of such information, the parties believe that the findings of the Authority are speculative. It is noted while disputing the contentions of the domestic industry, these interested parties have not provided any information and evidence to establish the contrary position. However, since Jiangsu Kumho has filed a questionnaire response, which does not show any expansion of capacity, the Authority has appropriately taken note of the same in the present findings.

166. The Authority notes that the submission of the domestic industry with regard to threat of injury were well known to all parties at the stage of initiation itself. Further, foreign producers from Korea, Thailand and China are cooperating in the present investigation, have filed questionnaire response, and are in possession of relevant information on these accounts. These responding exporters account for majority of the subject imports. Therefore, it was open for the interested parties, to bring the correct facts on record before the Authority in response to notice of initiation, if they believed that the correct facts had not been presented by the domestic industry, or there were alternative facts which should have been considered. Further, the Authority advised all interested parties to submit any information relevant to the investigation within the prescribed time limit. Thereafter, the Authority also provided an opportunity to the interested parties at the stage of oral hearing, subsequent written submissions and rejoinder submissions. However, no party provided any submission or evidence to demonstrate that the claims made by the domestic industry are not appropriate.
167. Reference is drawn to Rule 6(8) of the Anti-dumping Rules which states that where an interested party refuses access to or does not provide necessary information within a reasonable period, the Authority should record findings on the basis of facts available. However, none of the interested parties submitted any information to counter the information submitted by the domestic industry. This is despite the fact that these submission and contentions of the domestic industry concerned business situations of the foreign producers. Having failed to furnish the relevant information to dispute the submissions of the domestic industry, it is now not open for the interested parties to claim that such information should not have been relied upon. In the instant case, the interested parties had ample opportunity to provide relevant information at the stage of initiation. These interested parties failed to provide the same. The Authority is therefore fully justified in proceeding with the facts available on record. The facts available before the Authority show that there is surplus capacity in the subject countries, there have been capacity expansions in these countries, and anti-dumping duties have been imposed in other jurisdictions. The Authority has therefore taken note of the same for the present deterioration.
168. In this regard, the Authority further notes, that the anti-dumping agreement also provides that if an interested party does not provide relevant information to the Authority, the situation could lead to a result which is less favourable to the party than if the party had cooperated. Had the interested parties come forth and provided alternative facts to the Authority, the Authority would have considered all reasonable evidence presented by

various parties and arrived at its findings. Since the interested parties have opted not to dispute the facts as presented by the domestic industry, it is not open for the parties to now claim that such facts should not have been relied upon.

169. While interested parties have claimed that a return of 22% should not be allowed for determination of non-injurious price, the authority finds it reasonable to allow such a return, considering its consistent practice, and no factual information and evidence to support a different rate of return.
170. With regards to the argument that the decline in domestic prices is not due to imports, the Authority notes that the injury analysis is undertaken for the domestic operations of the domestic industry. Further, the present investigation has actually shown dumping of the subject goods from the subject countries. Therefore, the lower prices are an effect of dumping. Any decline in export prices of the subject goods is not relevant for the purpose of the present analysis.
171. Certain interested parties have argued that the market situation of epoxy resins may have impacted the competitiveness of the domestic industry, as previously noted by the Authority in a termination letter in the Anti-dumping investigation into imports of Certain Epoxy Resins. In this regard the Authority notes that facts present in the previous case were completely different when compared to the present case. The product under consideration in the earlier investigation was "Certain Epoxy Resins", while the product in the present case is limited to "Liquid Epoxy Resins". Further, period of investigation in the earlier case was October 2016 – September 2017, which is about 8 years prior to the present period of investigation. Thus, any market situation which existed at that time cannot be said to have affected the performance of the domestic industry in the present period. In any case, barring mere statement, no information has been provided by the interested parties to establish their contention.
172. With regards to the argument for re-calculation of non-injurious price of the domestic industry, it is clarified that the Authority has determined non-injurious price considering its established practice. The Authority considers actual production or sales during the period of investigation for apportionment of expenses and divides the same by optimum production volumes.
173. It has been contended that imports from Saudi Arabia account for less than 3% of the total imports into the country as per Department of Commerce data for HS Codes 3907 3010 and 3907 3090. It is seen that the HS Codes in question are not dedicated for the product under consideration and include imports of other products which are beyond the product scope. Accordingly, the Authority called for transaction-wise import data from DG Systems to examine the volume of imports from each subject country. It is seen that share of subject imports of subject goods from Saudi Arabia is above 3% in the total imports into the country. Such data could not have been shared publicly. In any case, exporters from Saudi Arabia had an opportunity to participate in the present investigation

and demonstrate that the volume of their imports was lower. In absence of any information submitted by exporters from Saudi Arabia and more than de-minimis volume of imports as per DG Systems, the investigation against Saudi Arabia cannot be terminated.

174. It has been claimed that the Basic Customs Duty on major raw materials increased over the period, which could have caused injury to the domestic industry. In this regard, the Authority has examined the domestic purchase, duty-free imports and duty paid imports of raw materials, namely Bisphenol-A and Epichlorohydrin, by the domestic industry. The Authority notes that significant purchases of BPA and ECH by the domestic industry are either domestic purchases, or duty-free imports under Free Trade Agreements. Only a small volume of raw material has been purchased after payment of Basic Customs Duty. It is seen that even if the Basic Customs Duty had not been modified during the injury period, the costs of the domestic industry would have been lower by only 0.1%, which would not have had any significant impact on the profitability of the domestic industry. Thus, arguments in this regard are not warranted.

L. CONCLUSION

175. Having examined the submissions made by all interested parties and issues raised therein, and considering the facts available on record, the Authority concludes the following:
- i The scope of product under consideration is 'Liquid Epoxy Resin' originating in or exported from China PR, Korea RP, Saudi Arabia, Thailand and Taiwan.
 - ii The scope of the product under consideration is limited to liquid epoxy resin having CAS number 25068-38-6 and EU's REACH Regulations CAS Number 1675-54-3, produced by chemical reaction between epichlorohydrin and bisphenol A, and where equivalent weight is limited to $\leq 250\text{g/eq}$.
 - iii The product under consideration does not include epoxy resins in solid, semi-solid, solution or waterborne form, blended and modified LERs and brominated solvent epoxy resin.
 - iv The domestic industry has produced and sold product grade comparable to grade BE188 and has produced grade BE188EL, which is pending internal testing of the customers.
 - v Other Indian producer has also produced and supplied products comparable to grades BE188 and BE188EL.
 - vi The domestic industry has produced like article to the imported product under consideration.
 - vii No PCN methodology was adopted considering that there is no significant cost/price difference among different grades of product or on the basis of viscosity.
 - viii The applicants, Atul Limited and Hindusthan Speciality Chemical Limited, constitute domestic industry under Rule 2(b) of the Rules and the application satisfies the criteria of standing in terms of Rule 5(3).

- ix Other than the applicants, there is only one other producer of subject goods, who has imported significant quantity of the subject goods from its related party located in the subject country. during the injury period.
- x The subject goods have been exported to India at a price below the normal value, resulting in dumping. The dumping margin is above de-minimis level and significant.
- xi The volume of subject imports has increased, in absolute terms as well as in relative terms, over the injury period, and such imports constitute the entirety of the imports into India.
- xii The subject imports have increased at a higher rate than the increase in demand, despite the Indian industry having sufficient capacity to cater to the entire demand.
- xiii The domestic industry was forced to sell at losses in order to maintain its selling prices at par with the prices of the imported goods.
- xiv Despite an increase in its cost, the domestic industry was forced to reduce its prices due to low priced subject imports, which had a suppressing and depressing effect on the prices of the domestic industry.
- xv As regards the impact of the subject imports on the economic parameters of the domestic industry, it is seen that-
 - a. The installed capacities, production and capacity utilization of the domestic industry increased due to capacity expansions and increase in demand.
 - b. The domestic sales of the domestic industry increased as it reduced its prices and sold at losses in order to compete with subject goods.
 - c. The market share of the Indian industry declined over the injury period, while the market share of the subject imports increased by 44% over the injury period.
 - d. The average inventories of the domestic industry increased significantly over the injury period, having increased by 223% as compared to 2020-21.
 - e. The profitability of the domestic industry deteriorated sharply over the injury period. While the losses reduced marginally during the period of investigation, the industry continued to remain in losses.
 - f. Since 2022-23, the domestic industry earned suffered cash losses and earned negative return on investments.
 - g. The dumped imports adversely impacted the growth of the domestic industry and its ability to raise capital for the subject goods.
- xvi Considering the above, it is clear that the subject goods have caused material injury to the domestic industry.
- xvii The subject imports are threatening to cause further injury to the domestic industry as can be seen from the following –
 - a. The volume of subject imports has increased at a rate higher than increase in demand.
 - b. The exporters in the subject countries are facing trade remedial actions in USA and the EU.
 - c. The exporters in the subject countries have freely disposable and idle capacities which can be diverted to India.

- d. Additionally, the exporters in the subject countries are further expanding their production capacities.
- xviii The investigation has not shown any other factor which could have caused material injury to the domestic industry.
- xix The injury to the domestic industry has been caused by the dumping of the product under consideration.
- xx A comparison of the landed price of subject imports with the non-injurious price determined by the Authority shows that the injury margin is positive for all responding exporters.
- xxi Imposition of anti-dumping duty are in the larger public interest as can be seen from the following –
 - a. The imposition of duties would have a negligible impact on the downstream users.
 - b. Since the demand for the product under consideration has increased over the period irrespective of increase in prices, the imposition of duties would not deter the demand for the product.
 - c. The users can continue to import the subject goods from subject countries, other countries and the Indian industry at fair prices.
 - d. Since the exporters are facing trade remedial actions in other countries which may restrict their market, India remains a lucrative market for the exporters to dump.
 - e. The Indian industry has made significant investments and there is a need to protect the same.

M. RECOMMENDATIONS

- 176. The Authority notes that the investigation was initiated and notified to all the interested parties and adequate opportunity was given to them to provide information on aspects of 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.
- 177. 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.N.	Heading	Description	Country of origin	Country of export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	3907 30 10 and 3907 30 90	Liquid Epoxy Resins*	China PR	Any country including China PR	Jiangsu Kumho Yangnong Chemical Co., Ltd	37	MT	USD
2	-do-	-do-	China PR	Any country including China PR	Nantong Xingchen Synthetic Material Co., Ltd.	37	MT	USD
3	-do-	-do-	China PR	Any country including China PR	Any producer other than (1) and (2) above	258	MT	USD
4	-do-	-do-	Any country other than China PR, Korea RP, Saudi Arabia, Taiwan and Thailand	China PR	Any	258	MT	USD
5	-do-	-do-	Korea RP	Any country including Korea RP	Kukdo Chemical Co., Ltd.	286	MT	USD
6	-do-	-do-	Korea RP	Any country including Korea RP	Kumho P&B Chemicals Inc.	184	MT	USD
7	-do-	-do-	Korea RP	Any country including Korea RP	Any producer other than (5) and (6) above	483	MT	USD

8	-do-	-do-	Any country other than China PR, Korea RP, Saudi Arabia, Taiwan and Thailand	Korea RP	Any	483	MT	USD
9	-do-	-do-	Thailand	Any country including Thailand	Aditya Birla Chemicals (Thailand) Limited	119	MT	USD
10	-do-	-do-	Thailand	Any country including Thailand	Any producer other than (9) above	331	MT	USD
11	-do-	-do-	Any country other than China PR, Korea RP, Saudi Arabia, Taiwan and Thailand	Thailand	Any	331	MT	USD
12	-do-	-do-	Saudi Arabia	Any country including Saudi Arabia	Any	175	MT	USD
13	-do-	-do-	Any country other than	Saudi Arabia	Any	175	MT	USD

			China PR, Korea RP, Saudi Arabia, Taiwan and Thailand					
14	-do-	-do-	Taiwan	Any country including Taiwan	Any	115	MT	USD
15	-do-	-do-	Any country other than China PR, Korea RP, Saudi Arabia, Taiwan and Thailand	Taiwan	Any	115	MT	USD

** Liquid Epoxy Resins (LER), having CAS number 25068-38-6 and EU's REACH regulations CAS number 1675-54-3, where the equivalent weight of LER is limited to ≤ 250 g/eq; excluding epoxy resins in solid, semi-solid, solution or waterborne form, and excluding blended and modified LERs, as well as brominated solvent epoxy resin.*

N. FURTHER PROCEDURE

178. 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.

Siddharth Mahajan
(Designated Authority)