

**F. No. 7/14/2025 -DGTR**  
**Government of India**  
**Ministry of Commerce & Industry**  
**Department of Commerce**  
**Directorate General of Trade Remedies**  
**4th Floor, Jeevan Tara Building, 5, Parliament Street,**  
**New Delhi – 110001**

Date: 12<sup>th</sup> March, 2026

**DISCLOSURE STATEMENT**  
**Case No. AD (SSR)-07/2025**

**Subject: Sunset Review Investigation concerning imports of “2-Ethyl Hexanol” originating in or exported from European Union, Indonesia, Korea RP, Malaysia, Taiwan and United States of America.**

1. In accordance with Rule 16 of 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, the Designated Authority hereby discloses the essential facts under consideration in the above-mentioned sunset review investigation prior to final determination.
2. This Disclosure Statement is structured in the following sections:  
**Section I: General Disclosure**  
**Section II: Determination of Normal Value, Export Price, and Dumping Margin**  
**Section III: Assessment of Injury and Causal Link**  
**Section IV: Methodology for Determination of Non-Injurious Price**
3. The facts and submissions recorded herein represent the essential facts under consideration by the Authority and do not tantamount to acceptance or rejection of any argument or claim. All submissions have been recorded to the extent they are considered relevant for the present investigation.
4. Notwithstanding the facts given in this disclosure statement (including facts given on a confidential basis), the Designated Authority would consider all replies given on merit, in order to arrive at a final determination.
5. “\*\*\*” represents information submitted on confidential basis and so treated under the Rules.
6. Interested parties may offer their comments, if any, in the form of soft copy, latest by **17.03.2026** on email to [jd15-dgtr@gov.in](mailto:jd15-dgtr@gov.in), [dd16-dgtr@gov.in](mailto:dd16-dgtr@gov.in), [dir15-dgtr@gov.in](mailto:dir15-dgtr@gov.in) and [consultant-dgtr@govcontractor.in](mailto:consultant-dgtr@govcontractor.in). Interested parties are requested not to repeat their earlier submissions if already included and addressed in this disclosure statement.
7. Since anti-dumping investigations are time bound, the Designated Authority shall not entertain any request for extension of time.
8. This issues with the approval of the Designated Authority.

Sd/-  
Vishal Sharma,  
Director FT  
Email ID: [jd15-dgtr@gov.in](mailto:jd15-dgtr@gov.in)

To,  
All interested parties

## SECTION – I

**A. GENERAL DISCLOSURE**

**F. No. 7/14/2025 – DGTR** - Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as “the Act”) and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred as the “Anti-Dumping Rules” or “the Rules”) thereof.

1. The Designated Authority (hereinafter referred to as “Authority”) received an application from the Andhra Petrochemicals Limited (hereinafter referred to as the ‘applicant’ or the “domestic industry”) seeking initiation of a sunset review for extension and enhancement of the anti-dumping duty imposed on imports of ‘2-Ethyl Hexanol’ (hereinafter to be referred to as the “subject goods” or the “the product under consideration” or “PUC”), originating in or exported from European Union, Republic of Indonesia (“Indonesia”), Republic of Korea (“Korea”), the Federation of Malaysia, (“Malaysia”) Taiwan and United States of America (hereinafter referred to as the “subject countries”).
2. On the basis of *prima facie* evidence submitted by the applicant, the Authority issued a public notice vide notification no. 7/14/2025- DGTR dated 9<sup>th</sup> September 2025 published in the Gazette of India, Extraordinary, initiating the subject investigation. The investigation was initiated in accordance with Section 9A (5) of the Act read with Rule 23 of the Rules to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry and if there is a need for continued imposition of the anti-dumping duties.

**B. BACKGROUND OF THE CASE**

3. The original anti-dumping investigation concerning imports of the product under consideration from the European Union, Indonesia, Korea RP, Malaysia, Taiwan, Saudi Arabia and the United States of America was initiated by the Authority vide Notification No. 14/24/2014 dated 20th November 2014. Pursuant to a duly substantiated application filed by the domestic industry and after detailed examination, the Authority concluded that the imports from the subject countries, except Saudi Arabia had caused material injury to the domestic industry. Accordingly, vide Final Finding dated 18th February 2016, the Authority recommended imposition of anti-dumping duties on the European Union, Indonesia, Korea RP, Malaysia, Taiwan and the United States of America. The Ministry of Finance, thereafter, accepted the recommendation and imposed anti-dumping duties vide Customs Notification No. 10/2016-Customs (ADD) dated 29th March 2016.
4. Subsequently, a sunset review investigation was initiated by the Authority vide Notification No. 7/28/2020-DGTR dated 28th August 2020 concerning imports from the European Union, Indonesia, Korea RP, Malaysia, Taiwan and the United States of

America. After examination, the Authority, vide Final Finding dated 8th March 2021, recommended continuation of the anti-dumping duties. The Ministry of Finance accepted the recommendation and extended the anti-dumping duties for a period of five years vide Notification No. 17/2021-Customs (ADD) dated 26th March 2021. The duties are presently in force and were effective until 25th March 2026. However, the Ministry of Finance, vide Notification No. 38/2025-Customs (ADD), extended the existing duties by a further period of three months. Accordingly, the duties shall remain effective until 25th June 2026.

5. In terms of Section 9A (5) of the Act, any anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such an imposition. Further, Rule 23(1B) of the Rules provides as follows:

*“any definitive antidumping duty levied under the Act, shall be effective for a period not exceeding five years from the date of its imposition, unless the designated Authority comes to a conclusion, on a review initiated before that period on its own initiative or upon a duly substantiated request made by or on behalf of the domestic industry, within a reasonable period of time prior to the expiry of that period, that the expiry of the said anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry”*

6. In accordance with the above, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry, whether the expiry of existing anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury.
7. The scope of the present review covers all aspects of the final finding no. 7/28/2020-DGTR dated 8th March 2021 and Notification No. 17/2021-Customs (ADD) dated 26th March 2021.

### **C. PROCEDURE**

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

#### **8.1 Initiation**

- i. In accordance with Rule 6, upon examination of the application and finding *prima facie* evidence of dumping, injury, likelihood and causal link, the Authority issued a notification no. 7/14/2025- DGTR dated 9<sup>th</sup> September 2025, published in the Gazette of India Extraordinary, initiating the sunset review anti-dumping investigation concerning the imports of the product under consideration from the subject countries.

- ii. In accordance with Rule 5(5), prior to initiation of the investigation, the governments of the subject countries were notified through their embassy in India about the receipt of the present anti-dumping application.
- iii. In accordance with Rule 6(2), the interested parties were informed of the initiation of the investigation by sharing a copy of the initiation notification with the embassies of the subject countries in India, known producers and exporters of the product under consideration in the subject countries, known importers of the subject goods in India and other interested parties, as per the information made available in the application.

## 8.2 Period of Investigation and Injury Period

- i. The period of investigation (POI) for the purpose of the present investigation is 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025. The examination of trends in the context of injury analysis cover the years 2021-22, 2022-23, 2023-24 and the period of investigation.

## 8.3 Import Data

- i. A request was made to the DG System to obtain transaction-wise import data of the subject goods for the injury period. The data was received and has been relied upon for the necessary analysis after due examination of the transactions.

## 8.4 Circulation of non-confidential version of the application

- i. In accordance with Rule 6(3), a copy of the non-confidential version of the application was provided to the governments of the subject countries through their embassies in India, known producers/exporters of the subject goods and to other interested parties who requested in writing a copy of the application.

## 8.5 Participation by Exporters of Subject Country

- i. In accordance with Rule 6(4) of ADD Rules, Exporter's Questionnaires were sent to the following producers and exporters to seek information regarding the normal value and net export price for the investigation.

SN	Subject countries	Producers/exporters
1	European Union	Arkema S.A.
2		BASF Lampertheim GmbH
3		Celanese Chemicals Europe GmbH
4		Exxonmobil Chemical Holland BV, Rotterdam
5		Grupa Azoty Kędzierzyn
6		INEOS Oxide (Oxochemie)
7		Oltchim S.A.

8		Oxea GmbH
9		Perstorp Oxo AB
10		Zak S.A UL
11	Indonesia	Petro Oxo Nusantara (Pon)
12		PT Petro Oxo Nusantara
13	Korea RP	Hanwha Chemical
14		Hyundai Corporation
15		LG Chem Ltd
16	Malaysia	BASF Petronas Chemicals Sdn Bhd
17	Taiwan	Formosa Plastic Group
18		Nan Ya Plastics Corporation
19	United States of America	Dow Chemicals
20		Eastman Chemical Co.
21		ICC Chemical Corporation
22		Vinmar International Ltd.

- ii. Exporter's Questionnaires were also sent to the governments of the subject countries through their embassies in India. The governments of the subject countries were requested to forward the Initiation Notification and the exporter's questionnaires to the producers/exporters of the subject goods in their respective countries and advise them to respond to the questionnaire within the prescribed time limit.
- iii. In response to the above, the following producers/exporters from the subject country have responded and filed the exporter's questionnaire response:

SN	Subject countries	Producers/exporters
1	Indonesia	PT Petro Oxo Nusantara
2	Malaysia	BASF Petronas Chemicals Sdn. Bhd.
3	Taiwan	Nan Ya Plastics Corporation

## 8.6 Participation by Importers/Users

- i. In accordance with Rule 6(4) of the Rules, Importer's Questionnaires were also sent to the following known importers/users of the product under consideration in India calling necessary information:

SN	Names of importers and users in India
1	Agarwal Sales Corporation
2	Agsar Paints Private Limited
3	Amar Industrial Services
4	Associated Dyestuff Private Limited
5	Bansal Trading Company
6	C & E Limited

7	C J Shah & Company
8	Deepak Nitrite Limited
9	Galaxy Surfactants Limited
10	Indian Additives Limited
11	Jagadamba Chemicals
12	Jeevika Spakchem Private Limited
13	KLJ Plasticizers Limited
14	Lalitha Chem Industries Private Limited
15	Laxminarain Vishambharnath
16	Meghaaarika International Pvt. Ltd.
17	Meghmani Dyes and Intermediates Limited
18	Merck Limited
19	Mody Enterprises Private Limited
20	Naq Global (India)
21	Neelam Aqua & Speciality Chem Private Limited
22	Nicholas Pigments & Inks
23	Nitin Dye Chem Private Limited
24	Pasuparthu Polymers Private Limited
25	Payal Polyplast Private Limited
26	PCL Oil & Solvents Ltd.
27	Petchem Products
28	Petrochem Middle East Private Limited
29	Premier Enterprises
30	R. K. Trading Company
31	Rachana Plasticizers
32	Raghunath Dye Chem Private Limited
33	Salicylates & Chemicals Private Limited
34	Shalimar Paints Limited
35	Srivatsa Industries Limited
36	Troix Chemicals Private Limited

- ii. In response to the above, the following importers/users from India have responded and filed importer/user questionnaire response:

SN	Names of importers and users in India
1	BASF India Limited
2	KLJ Petroplast Limited
3	KLJ Plasticizers Limited
4	Payal Plasticchem Private Limited
5	Payal Polyplast Private Limited

- iii. In response to the initiation notification, the Government of Indonesia and Indian Plasticizers Manufacturers Association have also made legal submissions in the present investigation.

#### **8.7 Registered Interested Parties**

- i. A list of all interested parties that registered themselves within the prescribed timeline was uploaded on the website. All registered interested parties were directed to circulate the non-confidential version of all their submissions in the present proceedings with all other interested parties.

#### **8.8 Economic Interest Questionnaire**

- i. An economic interest questionnaire was issued to all the known producers and exporters, importers, and the domestic industry. The economic interest questionnaire was also shared with the administrative line ministry. Economic interest questionnaire was filed by the domestic industry, BASF India Limited, KLJ Petroplast Limited, KLJ Plasticizers Limited, Payal Plasticchem Private Limited and Payal Polyplast Private Limited.

#### **8.8 Oral Hearing**

- i. In accordance with Rule 6(6), the Authority provided an opportunity to the interested parties to present their views orally in a hearing held on 11<sup>th</sup> December 2025. The parties presenting their views in the oral hearing were directed to make written submissions of the views expressed orally, followed by rejoinder submissions.

#### **8.9 Other Procedures**

- i. Foreign producers, exporters and other interested parties who have not responded, or have not supplied information relevant to this investigation, have been treated as non-cooperative with interested parties.
- ii. The non-confidential version of the submissions filed by the various interested parties was made available to all participating interested parties. A list of all the interested parties was uploaded on the DGTR website along with the request therein to all of them to email the non-confidential version of their submissions to all the other interested parties.
- iii. In accordance with Rule 6(8), wherever an interested party has refused access to or has otherwise not provided necessary information in a timely manner during the course of the present proceedings, or has significantly impeded the investigation, such parties have been considered as non-cooperative and the findings have been recorded on the basis of the facts available.

- iv. In accordance with Rule 7, the information provided by the interested parties on confidential basis was examined with regard to the sufficiency of such confidentiality claims. On being satisfied, the confidentiality claims have been accepted wherever warranted, and such information has been considered as confidential and not disclosed to the other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- v. In accordance with Rule 8, during the course of the investigation, accuracy of the information supplied by the domestic industry and the interested parties have been verified, which forms the basis of this disclosure statement. The information was verified to the extent possible and the data documents submitted by the domestic industry and the interested parties to the extent considered relevant, practicable and necessary.
- vi. In accordance with Rule 8, verification of the data provided by the domestic industry and other interested parties was conducted to the extent considered necessary for the present proceedings. The Authority has considered the verified data of the interested parties in its analysis in the present case.
- vii. The non-injurious price has been calculated based on the optimum cost of production and cost to produce & sell the domestic like article in India, based on the information furnished by the domestic industry and having regard to the Generally Accepted Accounting Principles (GAAP) and as per the principles laid down in Annexure III of the Rules.
- viii. All the arguments raised and information provided by all the interested parties to the extent that the same is supported with evidence and considered relevant to the present investigation have been considered.
- ix. “\*\*\*” in this disclosure statement represents information furnished by an interested party on a confidential basis and so considered under the Rules.
- x. The exchange rate adopted for the subject investigation is 1 US\$=Rs 85.43.

## **D. PRODUCT UNDER CONSIDERATION**

### **D.1 Submission of the other interested parties**

9. The other interested parties have not made any submissions with regards to the product under consideration and like articles.

### **D.2 Submission of the domestic industry**

10. The domestic industry has made the following submissions with regards to the product under consideration and like articles.
  - a. Since the present investigation is a sunset review investigation, the scope of product under consideration remains the same as in the original investigation.
  - b. The domestic industry is producing a like article to product under consideration.

### D.3 Examination by Authority

11. The present investigation is a sunset review investigation and the scope of the product under consideration remains the same as defined in the original investigation. The product under consideration as defined in the original investigation and considered at the stage of initiation is reproduced hereunder –

*“The product under consideration in this investigation is “2-Ethyl Hexanol”. 2-Ethyl Hexanol (abbreviated as ‘2-EH’) is a basic organic chemical. It is a fatty alcohol, clear, mobile, neutral liquid with a characteristic odour. 2-EH is produced on a massive scale for use in numerous applications such as solvents, flavours, and fragrances and especially as a precursor for production of other chemicals such as emollients and plasticizers. Main application of 2-Ethyl Hexanol is as a feed stock in the manufacture of low volatility esters; the most important of it is Di-(2Ethyl hexyl) Phthalate (DOP or DEHP). The product under consideration is classified under Customs Tariff Heading No. 29051620. However, the said Customs classification is indicative only and in no way binding on the scope of the present investigation.”*

12. None of the importers, exporters and other interested parties have advanced any argument with regard to the scope of the product under consideration and like article. Thus, the scope of the product under consideration in the present review investigation remains the same as that in the original investigation and as considered at the stage of initiation notification and is reproduced below: -

*“The product under consideration in this investigation is “2-Ethyl Hexanol”.*

13. The major raw materials used in the production of 2-Ethyl Hexanol are Naphtha and Propylene.
14. The manufacturing process begins with the production of synthesis gas (syngas), typically generated by naphtha reforming. The synthesis gas generated reacts with propylene in the aldehyde unit through a hydroformylation (oxo synthesis) reaction. This reaction produces normal butyraldehyde and mixed butyraldehyde. Normal butyraldehyde is hydrogenated to form 2-ethyl hexanol, while mixed butyraldehyde undergoes liquid-phase hydrogenation to yield normal butanol and iso-butanol. The hydrogen required for these processes is supplied by the hydrogen produced in the Pressure Swing Adsorption (PSA) unit, which serves both synthesis gas units.
15. The product under consideration is classified under Chapter 29 of the Customs Tariff Act, 1975, under the heading “Organic Chemicals” and the sub-heading is 2905 16 20. It is also noted that the customs classification is indicative only and is in no way binding on the scope of the subject investigation.

16. The prescribed unit of measurement for the product under consideration is metric tons (MT), and the same has been adopted for this investigation.
17. It is noted that the subject goods produced by the domestic industry and those imported from the subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. Accordingly, it is noted that the product produced by the domestic industry are 'like article' to the product under consideration imported from the subject countries in terms of Rule 2(d) of the Rules and the scope of product under consideration remains the same as defined in the original investigation.

## **E. SCOPE OF DOMESTIC INDUSTRY AND STANDING**

### **E.1 Submission of the other interested parties**

18. The other interested parties have made the following submissions with respect to the domestic industry and standing:
  - i. BPCL has set up its capacity for the production of the PUC in the year 2021. BPCL has chosen not to participate in the present investigation.
  - ii. The applicant does not represent the entire Indian industry. BPCL's production capacity is far more than the applicant and the applicant doesn't represent 50% of the total domestic production of the like article in India.
  - iii. The applicant wrongly presumes BPCL's silence to be neutral despite being the largest producer, and until the Authority formally ascertains BPCL's position, the applicant cannot be treated as representative of the domestic industry.
  - iv. The Authority misapplied the law by mechanically accepting the applicant's standing without examining or explaining whether it represents 50% of domestic production as required under Rule 5(3) of AD rules, rendering the initiation of the investigation unlawful.
  - v. The DGTR SOP requires the Authority to contact non-participating producers, especially if the applicant's production is below 50%, as BPCL and the concerned ministry should be consulted.

### **E.2 Submission of the domestic industry**

19. The domestic industry has made the following submissions with respect to the domestic industry and standing:
  - i. The present application has been filed by Andhra Petrochemicals Limited.
  - ii. In the previous investigation, the applicant was the sole producer in India. Bharat Petroleum Corporation Limited (BPCL) recently set up its plant and started commercial production in April 2021.
  - iii. The applicant had sent communication to BPCL, but BPCL has not replied to the applicant. The applicant has considered BPCL as neutral in the present investigation.

- iv. The applicant has neither imported the subject goods from subject countries nor is related to any importer in India or producer/exporter from subject countries.
- v. Rule 5(3)(a) requires that an application be supported by the producers accounting for at least 25% of the total Indian production.
- vi. The next condition for 50% is for cases where other Indian producers have either supported or opposed the application. In the present case, BPCL has neither supported nor opposed the application and has remained neutral.
- vii. As there is no opposition from any domestic producer, the requirement relating to 50% support from other producers does not arise.

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

20. Rule 2(b) of the anti-dumping rules defines domestic industry as below:

*“(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 constructed as referring to the rest of the producers.”*

21. The present application has been filed by Andhra Petrochemicals Limited. In the original and subsequent first sunset review investigation, Andhra Petrochemicals Limited was the sole producer of the like article in India. In April 2021, another producer, namely Bharat Petroleum Corporation Limited (BPCL), commenced commercial production of 2-Ethyl Hexanol in India with a capacity of 48,000 MT.
22. With regard to the contention that the applicant does not constitute the domestic industry on the ground that BPCL’s production capacity is higher than that of the applicant and that the applicant does not represent 50% of the total domestic production, the Authority sent communication to other domestic producer, seeking information regarding its production, its position with respect to the present investigation, and other relevant details for the purposes of the present investigation. However, the said producer has neither furnished the requested information nor communicated its position on the present investigation.
23. The applicant has certified that it has not imported the subject goods from the subject countries during the period of investigation and that it is neither related to any exporter or producer of the subject goods in the subject countries nor to any importer of the product in India. The DG System data has been examined, and it is found that the applicant has not imported the product under consideration.

24. The applicant accounts for [\*\*\*%] of the total Indian production and, therefore, constitutes a major proportion of the domestic production within the meaning of Rule 2(b) of the Rules. With regard to the contention that the Authority has misapplied the law by accepting the domestic industry's standing without examination as required under Rule 5(3) of the Rules, it is noted that the present investigation is a sunset review seeking continuation of anti-dumping duties and not an original investigation.
25. In view of the above, it is proposed to conclude that the applicant constitutes an eligible domestic industry within the meaning of Rule 2(b) of the Rules and that the application satisfies the standing requirements under Rule 5(3) of the Rules.

## **F. MISCELLANEOUS ISSUES AND CONFIDENTIALITY**

### **F.1 Submission of the other interested parties**

26. The other interested parties have made the following submission with respect to miscellaneous issues and confidentiality:
- i. The domestic industry is a habitual user of trade remedy investigations and taking undue advantage.
  - ii. The domestic industry has not brought about any substantive evidence to prove the condition for initiation of the sunset review investigation, while the investigating authority has not carried out appropriate and enough scrutiny of the related facts.
  - iii. The facts on the record reveal that the domestic industry has exaggerated the increased import of the subject product. The domestic industry has deliberately invented the injury.
  - iv. The application was not filed within a reasonable time prior to the expiry of duties. The present sunset review was initiated on September 9, 2025, and the statutory due date for issuing the final finding is December 28, 2025. This gives the authorities only 110 days to conduct the investigations, as against normal period of 365 days.
  - v. The application does not contain the date on which it has been filed. The Authorities must disclose the date of filing of the application or the date on which the application was duly substantiated.
  - vi. Payal Plastics purchase price of 2-EH, selling price of finished products, and conversion ratio are commercially sensitive information and are not capable of meaningful public summarization. Disclosure would harm the competitive position of Payal.
  - vii. Reliance is placed on Union of India v. Meghmani Organics Ltd., wherein the Supreme Court upheld that confidential information may be withheld if disclosure would confer a competitive advantage or cause adverse effects, and that Rule 7 is a valid exception to natural justice. Trade Notice No. 10/2018 does not mandate disclosure of the computation of duty impact.

### **F.2 Submission of the domestic industry**

27. The domestic industry has made the following submission with respect to confidentiality:

- i. The participating users failed to comply with the confidentiality guidelines as per Trade Notice 10/2018.
- ii. The users were required to disclose the prescribed formats in trend or summary form but details have been completely claimed as confidential without any meaningful non-confidential disclosure.
- iii. One of the users namely Payal Plastics Private Limited claimed excessive confidentiality by claiming entire prescribed formats as confidential.
- iv. Payal Plastics Private Limited has claimed the calculation of impact of duty as confidential.
- v. The initiation notification itself records that Authority has after examining the duly substantiated application and the prima facie evidence, initiated the sunset review.
- vi. Neither the Customs Tariff Act nor the Anti-Dumping Rules restrict the domestic industry from approaching the Designated Authority for appropriate trade remedial measures whenever unfair imports cause injury to the domestic industry

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

28. The non-confidential version of the information provided by various interested parties was made available to all interested parties as per Rule 6(7) and Trade Notice 10/2018 dated 7<sup>th</sup> September 2018.
29. Rule 7 of the Rules provide that:

*“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.”*

30. The submissions made by the domestic industry and the participating exporters concerning confidentiality, to the extent considered relevant, were examined by the Authority and addressed accordingly. It is seen that the domestic industry and interested parties have claimed confidentiality on information, such as production, capacity, capacity utilization, sales volumes, market share, stocks, selling price, costs, profits, cash profits, return on investment, non-injurious price, cost of production related information, normal value, export price, dumping margin, injury margin, price adjustments, profit related information, sales channels, sales & purchase documents, customers and suppliers names, etc. It is also seen that wherever information is for injury period, the same has been provided on an indexed basis. Information such as normal value, non-injurious price and price undercutting has been disclosed in the range.
31. The interested parties have claimed confidentiality on various supporting documents & information, wherever such information has not been publicly disclosed by them. In those cases where an interested party has not publicly disclosed its annual reports and financial statements, the same have been claimed confidential. Wherever the interested parties have claimed a document as confidential, it is noted that these interested parties have claimed that these documents are not susceptible to summary and have given reasons why summarisation is not possible.
32. The Authority has consistently allowed interested parties to claim confidentiality on such information and documents provided by domestic industries, foreign producers and other interested parties in all investigations. The Authority notes that all the interested parties have claimed their business-related sensitive information as confidential. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered confidential and not disclosed to the other interested parties.
33. As regards the contention that the domestic industry is a habitual user of trade remedy measures, it is seen that as per Section 9(A)(5), there is no bar on the number of times domestic industry can seek redressal from unfair trade practices of the foreign producers/exporters and no bar on the number of times anti-dumping duty can be imposed. In an anti-dumping investigation, the primary mandate is to assess whether remedial measures are required in light of dumped imports and consequent injury to the domestic industry. The anti-dumping duty can be imposed for a period as long as necessary to counteract dumping and injury. The recommendations for the imposition of anti-dumping duty are made only after investigation and when the requisite legal requirements are met.
34. With regards to the submissions made by the other interested parties that the domestic industry has not brought any substantive evidence to justify initiation of the present investigation and the Authority has not carried out appropriate scrutiny of facts, it is seen the domestic industry had provided sufficient information to justify initiation and the

investigation was initiated by the Authority after satisfying that there was sufficient prima-facie evidence to justify initiation.

35. With regard to the contention that the application in the present sunset review investigation was not filed within the timeline prescribed, it is clarified that the domestic industry filed the application in accordance with the prescribed timelines, that is, 270 days prior to the expiry of the anti-dumping duties.

## SECTION – II

**G. DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN****G.1 Submission of the other interested parties**

36. The other interested parties have made the following submissions concerning normal value, export price and dumping margin:

- i. The domestic industry has wrongly claimed that the subject countries are non-market economy.
- ii. The domestic industry has proposed the computation of normal value for Korea and USA on the basis of import price into the said countries. This is not a legally acceptable methodology for computation of normal value as given in Section 9A(1)(c)(ii)(a) of the Act and Article 2.2 of the anti-dumping agreement.
- iii. The domestic industry has proposed the computation of normal value for Indonesia, Malaysia and Taiwan on the basis of its own cost of production along with SGA expenses. Under Section 9A(1)(c)(ii)(b) of the Act and Article 2.2 of the ADA, the normal value can only be computed on the basis of the cost of production in the country of origin and not the cost of production in India.
- iv. The application does not contain duly substantiated evidence regarding the adjustments to the export price for ocean freight, marine insurance, commission, bank charges, port expenses, credit costs and inventory carrying cost.
- v. The domestic industry has inflated the commission and credit cost since no commissioning agent is involved in the transaction and the purchases are based on letters of credit or advance payment.
- vi. Inventory carrying cost is not a logistics cost and shall not be deducted from the export price. The domestic industry has not provided any evidence regarding the need for such an adjustment.
- vii. The adjustments for ocean freight proposed by the domestic industry for each of the subject countries is inconsistent. In the case of the USA (where the goods have to travel the furthest), the ocean freight charges are only USD 3,771, whereas the adjustments for Taiwan, Korea RP and China are very high compared to both USA and the EU.
- viii. The domestic industry's request for computation of month-wise dumping margin is not permissible under Article 2.4.2 of the Anti-Dumping Agreement and paragraph 6(iv) of the AD Rules.

**G.2 Submission of the domestic industry**

37. The domestic industry has not made any submissions concerning normal value, export price and dumping margin of the participating producers.

**G.3 Examination by the Authority**

38. Under Section 9A (1)c, normal value in relation to an article means:
- i. *The comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting countries or territory as determined in accordance both 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 countries or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting countries 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 countries or territory or an appropriate third countries as determined in accordance with the rules made under sub-section (6); or*
    - b. *the cost of production of the said article in the countries of origin along with reasonable addition for administrative, selling and general costs and for profits, as determined in accordance with the rules made under sub-section (6);*

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

39. Questionnaires were sent to the known producers/exporters from the subject countries, advising them to provide information in the form and manner prescribed by the Authority. The following producers and exporters from the subject countries, along with their related entities in India, have filed the prescribed questionnaire responses.
- i. PT Petro Oxo Nusantara, Indonesia
  - ii. BASF Petronas Chemicals Sdn. Bhd., Malaysia and its related importer in India.
  - iii. Nan Ya Plastics Corporation, Taiwan
40. The normal value and export price for all producers/exporters from the subject countries have been determined as below.

### **G.3.1 Normal value and export price determination for Taiwan**

#### **Nan Ya Plastics Corporation**

##### **i. Normal value**

41. During the period of investigation, Nan-Ya Plastics Corporation, who is a producer of the Taiwan has sold [\*\*\*] MT of the subject goods in the domestic market to unrelated parties. The domestic sales are in sufficient volumes when compared with the exports to India.

42. To determine the normal value, the ordinary course of trade test was conducted to determine the profit-making domestic sales transactions with reference to the cost of production of the subject goods. If profit making transactions are more than 80% of the total sales, then all the transactions in the domestic sales are considered for the determination of the normal value and in case the profitable transactions are less than 80%, only profitable domestic sales are taken into consideration for the determination of the normal value. In the present investigation, since the profit-making sales are only 68% of the total sales, therefore, only those domestic sales have been considered to determine the normal value.
43. Nan-Ya Plastics Corporation has claimed adjustment on account of inland freight, and credit cost in the calculation of normal value and the same have been allowed.

**ii. Export price**

44. Nan-Ya Plastics Corporation, the producer and exporter of the subject goods in Taiwan, has filed questionnaire response. During the period of investigation, Nan-Ya Plastics Corporation has exported [\*\*\*] MT of the subject goods to India directly. The producer/exporter has claimed adjustments on account of ocean freight, marine insurance, inland transportation, port and other related expenses and the same has been allowed after verification.
45. The table below shows the normal value, cost of production and the export price of the producer.

Particulars	UOM	Value
Normal value	USD/MT	***
Export price	USD/MT	***
Cost of Production	USD/MT	***

**Non-cooperating producers/exporters**

46. It is noted that no other producers/exporters from Taiwan have cooperated in the present sunset review. In view of the same, the normal value and export price for all other non-cooperating producers and exporters of Taiwan have been determined based on the facts available under Rule 6(8) of the Rules. The data of the participating producer from Taiwan has been considered and the lowest export price after allowing for adjustments as claimed by the participating producer has been considered for export price.

**G.3.2 Normal value and export price determination for Malaysia**

**BASF Petronas Chemicals Sdn. Bhd.**

**i. Normal value**

47. During the period of investigation, BASF Petronas Chemicals Sdn. Bhd. (hereinafter referred to as “BASF”), has sold [\*\*\*] MT of the subject goods in the domestic market to unrelated parties. The domestic sales are in sufficient volumes when compared with the exports to India.
48. To determine the normal value, the Authority conducted the ordinary course of trade test to determine the profit-making domestic sales transactions with reference to the cost of production of the subject goods. If profit making transactions are more than 80% of the total sales, then all the transactions in the domestic sales are considered for the determination of the normal value and in case the profitable transactions are less than 80%, only profitable domestic sales are taken into consideration for the determination of the normal value. In the present investigation, since the profit-making sales are only 35%, therefore, only those domestic sales have been considered to determine the normal value.
49. BASF has claimed adjustment on account of inland freight, and credit cost in the calculation of normal value and the same have been allowed.

### iii. Export price

50. During the period of investigation, BASF has exported \*\*\* MT of the subject goods through related importer in India namely, BASF India Limited, while the rest was exported to unrelated importer in India.
51. In case of exports made by BASF directly to unrelated customers in India, the export price has been determined based on the price of sale charged by BASF for sales to unrelated customers. In case of sales through a related importer, the export price has been determined based on the resale price of the related importer after due adjustments. The producer/exporter has claimed adjustments on account of ocean freight, marina insurance, inland transportation, port and other related expenses and the same has been allowed after verification.
52. The table below shows the normal value, cost of production and the export price of the producer.

Particulars	UOM	Value
Normal value	USD/MT	***
Export price	USD/MT	***
Cost of Production	USD/MT	***

### Non-cooperating producers/exporters

53. It is noted that no other producers/exporters from Malaysia have cooperated in the present sunset review. In view of the same, the normal value and export price for all other non-cooperating producers and exporters of Malaysia have been determined based on the facts available under Rule 6(8) of the Rules. The data of the participating producer from

Malaysia has been considered, and the lowest export price after allowing for adjustments as claimed by the participating producer has been considered for export price.

### **G.3.3 Normal value and export price determination for Indonesia**

#### **PT Petro Oxo Nusantara, Indonesia**

##### **i. Normal value**

54. During the period of investigation, PT Petro Oxo Nusantara (hereinafter referred to as “PT Petro”), who is a producer of the subject goods in Indonesia has sold [\*\*\*] MT of the subject goods in the domestic market to unrelated parties. The domestic sales are in sufficient volumes.
55. To determine the normal value, the Authority conducted the ordinary course of trade test to determine the profit-making domestic sales transactions with reference to the cost of production of the subject goods. If profit making transactions are more than 80% of the total sales, then all the transactions in the domestic sales are considered for the determination of the normal value and in case the profitable transactions are less than 80%, only profitable domestic sales are taken into consideration for the determination of the normal value. In the present investigation, since the profit-making sales are less than 80%, therefore, only those domestic sales have been considered to determine the normal value.
56. PT Petro has claimed adjustment on account of inland freight, and credit cost, and the same have been allowed. Accordingly, the normal value at ex-factory level for PT Petro has been determined, and the same is shown in the dumping margin table below.

##### **ii. Export price**

57. PT Petro, the producer and exporter of the subject goods in Indonesia, has filed a questionnaire response. During the period of investigation, PT Petro has claimed that they have not exported the subject goods to India. The Authority verified the same through DG System data. It is seen that there are no imports of subject goods from Indonesia during the period of investigation. Therefore, no actual export price can be determined. Consequently, the actual dumping margin for the producer of PT Petro cannot be determined.

### **G.3.4 Normal value and export price determination for the European Union**

58. None of the producers/exporters from the European Union has participated in the present investigation. Accordingly, the normal value and export price have been determined on the basis of facts available in terms of Rule 6(8) of the Rules. The normal value is proposed to be determined on the basis of the best estimates of the cost of production of the subject goods, duly adjusted for selling, general & administrative expenses, with addition of reasonable profit margin at 5%.

59. Export price has been determined on the basis of facts available. For this purpose, the information provided in the DG system data has been considered. Price adjustments have been made on account of ocean freight, inland transportation, port-related expenses, insurance, and credit cost on the basis of facts available. The ex-factory export price so determined is mentioned in the dumping margin table.

### **G.3.5 Normal value and export price determination for Republic of Korea**

60. None of the producers/exporters from Korea RP have participated in the present investigation. Accordingly, the normal value and export price has been determined on the basis of facts available in terms of Rule 6(8) of the Rules. The normal value is proposed to be determined on the basis of best estimates of cost of production of the subject goods, duly adjusted for selling, general & administrative expenses, with the addition of reasonable profit margin at 5%.
61. Export price has been determined on the basis of facts available. For this purpose, the information provided in the DG system data has been considered and adjustments on have been made on account of ocean freight, inland transportation, port related expenses, insurance, and credit cost on the basis of facts available. The ex-factory export price so determined is mentioned in the dumping margin table.

### **G.3.6 Normal value and export price determination for United States of America**

62. None of the producers/exporters from Korea RP have participated in the present investigation. Accordingly, the normal value and export price has been determined on the basis of facts available in terms of Rule 6(8) of the Rules. The normal value is proposed to be determined on the basis of best estimates of cost of production of the subject goods, duly adjusted for selling, general & administrative expenses, with the addition of reasonable profit margin at 5%.
63. Export price has been determined on the basis of facts available. For this purpose, the information provided in the DG system data has been considered and adjustments have been made on account of ocean freight, inland transportation, port related expenses, insurance, and credit cost on the basis of facts available. The ex-factory export price so determined is mentioned in the dumping margin table.

### **G.3.7 Dumping margin**

64. Based on normal value and export price as proposed to be determined as above, the dumping margin has been determined below.

SN	Particular	Normal value (\$/MT)	Export price (\$/MT)	Dumping margin		
				(\$/MT)	%	Range
<b>A</b>	<b>Taiwan</b>					
1	Nan-Ya Plastics Corporation	***	***	***	***	0-10
2	Any other producer	***	***	***	***	<b>10-20</b>
<b>B</b>	<b>Malaysia</b>					
1	BASF Petronas Chemicals Sdn. Bhd.	***	***	***	***	0-10
2	Any other producer	***	***	***	***	10-20
<b>C</b>	<b>European Union</b>					
1	Any producer	***	***	***	***	10-20
<b>D</b>	<b>Korea RP</b>					
1	Any producer	***	***	***	***	15-25
<b>E</b>	<b>USA</b>					
1	Any producer	***	***	***	***	10-20

## SECTION – III

**H. ASSESSMENT OF INJURY AND CAUSAL LINK****H.1 Submission of the other interested parties**

65. The other interested parties have made the following submissions with regard to injury and causal link:
- i. The decline in the performance of the domestic industry is due to its own operational inefficiencies, non-availability of raw materials and shutdowns, not from the impact of imports from Taiwan.
  - ii. Such frequent disruptions in manufacturing activities have led to sub-optimal capacity utilization, higher per-unit manufacturing cost, supply unreliability and loss of market confidence, which in turn would erode profitability.
  - iii. After BPCL started commercial production of the PUC, the domestic market was materially altered. BPCL has emerged as a dominant domestic producer, catering to a substantial portion of Indian demand for the subject goods. APCL's sales remained low and erratic.
  - iv. Despite the imports, BPCL has managed to improve its sales of the PUC despite increased imports. This indicates that the injury to the domestic industry is not on account of imports of the subject goods from subject countries.
  - v. The domestic industry's competitive difficulties stem from domestic competition, especially BPCL's strong market presence, rather than imports, and this unsegregated domestic competition undermines any claim of import-caused injury.
  - vi. BPCL is operating at 100% capacity, and its sales are not affected by imports.
  - vii. While the domestic industry net sales realisation per unit declined by 74 index points in the period of investigation, its cost of sales per unit increased to 116, indicating that the deterioration in profitability is due to internal cost inefficiencies and poor cost absorption.
  - viii. The domestic industry interest costs increased by 71% on a per-MT basis, while depreciation expenses surged abnormally by over 950% in total terms and 1,390% per MT, reflecting a heavy capital and accounting burden rather than market-driven injury.
  - ix. Employee numbers remained broadly unchanged, while wages declined by 44%, indicating reduced operations and internal cost-cutting measures.
  - x. There was a demand and supply gap of 85,677 MT during the period of investigation. Even if the domestic industry's claimed production of 54,000 MT was considered as their domestic sales, there would still be a gap of at least 67,677 MT. The end-users have to source the same from imports only. Therefore, imports are not only warranted but also necessitated.
  - xi. The domestic industry's capacity increased from 30,000 MT to 73,000 MT for Oxo Alcohol, by 143%, without installing a new production line capacity increase appears implausible. The domestic industries may be asked to substantiate their capacity claims.

- xii. The recovery in production and capacity utilisation in 2023–24, when these constraints eased, further confirms that imports were not the cause of earlier declines.
- xiii. As a result of the shutdown, the prices of the product under consideration have increased substantially. Imports are not only necessary for a stable and consistent supply of the product, but also to ensure stability in the prices.
- xiv. The decline in the domestic industry's production and profitability is due to its dependence on a single supplier. Domestic industry has admitted that sourcing propylene from alternative suppliers (BPCL and GAIL) is not economical due to high logistics costs, and that it largely depends on HPCL for propylene supply.
- xv. The annual report stated that during FY 2024-25, the domestic industry faced a shortage of propylene supply from HPCL, which led to lower production and a decline in financial performance, along with other factors such as a sharp drop in international oxo-alcohol prices and subdued market demand.
- xvi. The domestic industry may be overstating its utilities costs. As per the Annual Report, additional electricity charges (FPPCA) imposed by APERC have been challenged before APTEL, and a substantial portion has been treated as contingent liabilities. If the APERC order is overturned, the actual utilities cost may be reduced.
- xvii. According to ICRA, operating margins of the domestic industry declined in FY 2023 due to reduced product feedstock spreads following a fall in product prices amid weak global demand, with only a partial recovery from Q2 FY 2024. Margins remain vulnerable to continued global demand weakness.
- xviii. ICRA also highlights the absence of backward integration, exposure to global price volatility, changes in duty structures and trade protection measures, and competitive pressures from imports and domestic producers. Such has impacted the business structure of the domestic industry.
- xix. During the period of investigation, there is negative price undercutting for imports from all subject countries. The landed values of imports are higher than the domestic industry's net selling price.
- xx. Negative price undercutting establishes that imports are not priced below domestic prices and therefore do not exert downward pressure on the domestic industry's pricing.
- xxi. Imports from Taiwan did not undercut domestic prices, as import prices remained above domestic costs and net selling prices.
- xxii. The proposal to alter the established methodology for determining price undercutting is incorrect. Price undercutting must be assessed by comparing the landed value of imports with the domestic net selling price during the same period, a practice consistently followed by the Authority and under which undercutting has been found negative.
- xxiii. The request to compare import prices of earlier months or make unsubstantiated adjustments for alleged interest-free credit has no legal basis and is unsupported by evidence.

- xxiv. Where import prices are higher than domestic prices, there is no factual or economic basis to conclude that imports are causing price depression or price suppression in the domestic market.
- xxv. While the domestic industry's market share declined sharply during the period of investigation, BPCL's market share remained significantly higher, indicating that the domestic industry's loss was absorbed by another domestic producer rather than by imports.
- xxvi. There is no causal link as the imports from non-subject countries increased sharply during the POI, whereas imports from subject countries showed no abnormal surge and, in fact, declined compared to earlier periods.
- xxvii. The decline in the domestic industry's profitability is not attributable to imports from the subject countries but to its own internal operational disruptions, such as intermittent production and shutdowns during the injury period, which adversely affected capacity utilisation, cost absorption, and margins.
- xxviii. Low depreciation does not justify inflated ROCE; such claims contradict Annexure III, as plant age or depreciation cannot warrant arbitrary returns, especially with lower interest and tax rates.
- xxix. Uniform application of a 22% ROCE results in unreasonable and inflated profits, distorts the non-injurious price, and has been questioned by CESTAT. A reasonable return must instead be based on actual profitability under normal competitive conditions.
- xxx. There is no justification for examining only the price impact of low-priced imports.
- xxxi. The reliance of the domestic industry on the CESTAT's judgement of Kothari Sugars is misplaced since Kothari Sugars was a case where there were multiple grades of the product, which warranted an examination of low-priced imports, unlike in the present investigation.

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

- 66. The domestic industry has made the following submissions with regard to injury and causal link:
  - i. Although import prices from the subject countries were above the cost of sales during the injury period, however the difference between them has significantly declined in the period of investigation.
  - ii. During the period of investigation, despite an increase in the cost of sales, the domestic industry's selling price declined, as subject imports prevented it from charging remunerative prices.
  - iii. Syngas, naphtha, and propylene are the major raw materials for producing 2-Ethyl Hexanol, together accounting for over 90% of the cost. Despite the increase in raw material costs, import prices have declined.
  - iv. The demand for the product sharply increased in 2022-23, declined in 2023-24, and increased again during the period of investigation.
  - v. Imports were low in 2021-22 due to COVID-19, but as demand normalised in 2022-23, imports from the subject countries increased sharply due to higher

- demand and a temporary shutdown of the domestic industry's plant. Although imports declined thereafter, they increased again during the period of investigation.
- vi. While part of the import increase is attributable to the domestic demand–supply gap, imports from the subject countries have increased more than the increase in demand.
  - vii. Imports from the subject countries, in relation to production, increased from 15% to 48%, and in relation to consumption, from 13% to 24%.
  - viii. In past investigations concerning the product, the Authority has determined negative price undercutting. Price undercutting should be assessed by comparing the order prices of the domestic industry and exporters, with the domestic industry's monthly prices compared to import prices from two months earlier due to delivery lag.
  - ix. The domestic industry's capacity remained constant during the investigation period and, together with the other domestic producer, is sufficient to meet about 65% of Indian demand.
  - x. In 2022-23, production and capacity utilisation declined marginally due to a maintenance shutdown but recovered in the subsequent period when the plant operated fully.
  - xi. During the period of investigation, production and capacity utilisation declined significantly due to plant shutdowns and dumping by producers from the subject countries. The domestic industry was compelled to shut down its plant due to the non-availability of propylene from HPCL, resulting in a partial decline in production and utilisation.
  - xii. Based on past operating rates, the domestic industry could have produced [\*\*\*] MT during the period of investigation, compared to actual production of [\*\*\*] MT, resulting in a shortfall of [\*\*\*] MT.
  - xiii. Monthly production data show that utilisation during the period of investigation was significantly lower than in earlier periods. Given the increase in domestic demand, this decline in utilisation is attributable to only dumping.
  - xiv. The domestic sales of the domestic industry declined in 2022–23, recovered in the subsequent period, and then declined sharply again during the period of investigation.
  - xv. The domestic industry was able to sell about 98% of its production during the period of investigation only by significantly reducing prices. In value terms, sales revenue declined from Rs. [\*\*\*] crore in 2021–22 to Rs. [\*\*\*] crore during the period of investigation.
  - xvi. The domestic industry's inventory increased sharply in 2022–23, declined marginally in the subsequent period, and further declined during the period of investigation.
  - xvii. Due to dumped imports, the market share of the domestic industry and other Indian producers has declined, while the market share of subject imports has increased.
  - xviii. The domestic industry was profitable in 2021–22. Profitability declined in 2022–23 due to a sharp increase in low-priced imports from the subject countries,

improved in 2023–24, but declined sharply again during the period of investigation, resulting in losses.

- xix. Cash profit, PBIT, and ROI of the domestic industry followed the same trend as profit, turning negative during the period of investigation.
- xx. Dumped imports from the subject countries caused negative growth for the domestic industry in both volume and price parameters.
- xxi. The domestic industry's plant has already been depreciated, as it was set up in 1994. Therefore, the depreciation cost is very low, and the net fixed assets deployed in the business are also minimal. Allowing a 22% return on capital employed for NIP purposes would not remedy injury due to dumping.
- xxii. The domestic industry's plant was shut down during the period of investigation due to the non-availability of propylene arising from a maintenance shutdown at HPCL; the injury suffered by the domestic industry cannot be attributed only to this factor.
- xxiii. Excluding the impact of the shutdown period, the domestic industry would have incurred losses during the period of investigation.
- xxiv. The domestic industry's monthly operating rates show that capacity utilisation in previous years was significantly higher than during the period of investigation. The average utilisation ranged between 89% and 97% in the preceding years; it declined sharply to about 73% in the period of investigation. This is not due to internal factors.
- xxv. In 2022-23, the cost of sales increased while the landed prices of imports declined, compelling the domestic industry to reduce its selling price. In 2023–24, although costs declined, both import prices and the domestic industry's selling price fell further.
- xxvi. In period of investigation, the cost of sales increased by around 12%, whereas the landed price of imports increased by only about 4%, once again forcing a reduction in the domestic industry's selling price.
- xxvii. Overall, the landed prices of subject imports have declined more sharply than the domestic industry's cost of sales over the injury period.
- xxviii. Employees and salary & wages of the domestic industry moved in line. The domestic industry has not claimed injury on these parameters, as it depends on various other factors.
- xxix. On the submission that the depreciation cost of the domestic industry increased, the domestic industry undertook some capital expenditure by installing certain new equipment during the financial year 2022-23. While the depreciation cost and interest cost have increased, they are less than 1% of the total cost.
- xxx. While NanYa has alleged that the plant of the domestic industry undergoes frequent shutdowns, based on information in public domain, the plant of Nanya has itself undergone shutdowns. The plant of the respondent was shut down only once in POI.
- xxxi. BPCL started commercial production in the year 2021. When BPCL started production, the domestic industry was in profit. The domestic industry continued to earn profits till 2023-24 when the landed price of imports was sufficiently higher

than the cost of sales of the domestic industry. However, the gap declined materially only in the period of investigation.

- xxxii. On the submission that the capacity of the domestic industry is only 30,000 MT, the claimed number of 30,000 MT pertains to the year 1994. The domestic industry has provided daily production over the injury period, and it can be seen that the capacity of the domestic industry is well above the claimed capacity of 30,000 MT per annum.
- xxxiii. On the statements in annual reports, the domestic industry has also attributed the decline in the performance of the product under consideration to a drop in international oxo-alcohol prices, which shows that it is the price of imports that is impacting the prices.
- xxxiv. On the submission that the domestic industry may be overstating its utilities costs by including additional electricity charges (FPPCA) imposed by APERC, the domestic industry has filed an appeal against these charges, and these charges have not been included in the cost of production for the product under consideration.
- xxxv. On the submission of the ICRA reports, the ICRA report for August 2025 also states that the operating margins were impacted and sharply declined to negative levels in FY2025 and Q1FY2026 from 10.7% in FY2024 as the spreads reduced with the fall in product prices because of cheaper imports.
- xxxvi. The domestic industry is claiming only the adverse impact of low-priced imports, which are affecting its selling prices. Given the current demand-supply gap, imports are inevitable. However, imports at unfairly low prices prevent the domestic industry from charging adequate, remunerative prices and earning a reasonable return. Reference is placed to *Kothari Sugars & Chemicals Limited v. Designated Authority*.

### H.3 Examination by the Authority

67. 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 utilisation, sales volume, inventory, profitability, net sales realisation, the magnitude and margin of dumping, etc., have been considered in accordance with Annexure II of the Anti-Dumping Rules.

68. Various submissions made by the domestic industry and other interested parties on injury and causal link have been examined and analyzed considering the facts available on record and applicable laws. The injury analysis by the Authority ipso facto addresses submissions made by the domestic industry and other interested parties.
69. With regard to the submission of the other interested parties that frequent suspension of operations caused injury to the domestic industry during the period of investigation, it is seen that the domestic industry had only a single shutdown in the period of investigation. And that was due to the temporary unavailability of raw materials. The domestic industry has provided information on the operating rate of the domestic industry on a monthly basis over the injury period. It is seen that the domestic industry did not undertake production for [\*\*\*] days during the injury period. The number of days in which the applicant did not produce is significantly higher than the number of days in which the domestic industry did not produce due to lack of raw material, which shows that the decline in production was not due to just raw material unavailability.
70. With regard to the submission of the other interested parties that the domestic industry is dependent on only one supplier for propylene, which has affected its operations, it is seen that the domestic industry was sourcing its raw material from HPCL not only in the period of investigation but also in the previous years as well. Had the dependency on one raw material supplier impacted the performance of the domestic industry, it would have suffered losses in the previous years as well. However, the domestic industry was profitable in past, and the profitability declined only in the period of investigation. It is also seen that the plant of the other producer is located in the nearby premises to the domestic industry, and therefore, sourcing raw material cost cannot be said to have caused injury to the domestic industry.
71. With regard to the submission of the other interested parties that the domestic market was materially altered after BPCL commenced commercial production of 2EH, and that the alleged injury to the domestic industry is attributable to domestic competition rather than imports, it is seen that BPCL commenced commercial production in 2021, and the domestic industry was profitable till 2023-24. If the commencement of production by BPCL were the cause of injury, the domestic industry would have suffered losses immediately upon BPCL commencing production. It is seen that the domestic industry recorded profits when the landed price of imports remained sufficiently higher than the cost of sales, and as the gap reduced in the period of investigation, these profits turned into losses with a negative return on investment.
72. With regard to the submission of the other interested parties that the injury to the domestic industry is attributable to abnormal increases in interest and depreciation costs rather than to market-driven factors. The domestic industry has submitted that its manufacturing facility was established in the late 1990s and that, during the base year, the plant and machinery had largely been depreciated. The domestic industry has added three new machines in 2022-23, which led to an increase in depreciation and interest costs. It is

seen that even after the increase, the depreciation and interest costs attributable to the product constitute less than 1% of the total cost of sales. The decline in per-unit profitability of the domestic industry is significantly higher than the increase in depreciation and interest costs.

73. With regard to the submission of the other interested parties that the domestic industry has overstated its utilities costs on account of additional electricity charges imposed by the Andhra Pradesh Electricity Regulatory Commission. The domestic industry submitted that the additional Fuel and Power Purchase Cost Adjustment charges imposed by the Andhra Pradesh Electricity Regulatory Commission have been challenged before the Appellate Tribunal for Electricity and that the outcome of the appeal is pending. The data provided by the domestic industry has been examined, and it is seen that these charges have not been considered as part of the cost of production for the purpose of the present investigation.
74. With regard to the submission of the other interested parties that the injury is caused due to factors such as shortage of propylene, reliance on single suppliers, decline in international oxo-alcohol, etc., which have caused injury to the domestic industry. It is seen that the other interested parties have not produced any evidence to substantiate their claims. Reference is also drawn to the WTO Panel Report **China – Definitive Anti-Dumping Duties on X-Ray Security Inspection Equipment from the European Union (WT/DS425/R)**, wherein the Panel held that where an interested party identifies a factor other than dumped imports causing injury but does not provide evidence showing how this factor is causing injury to the domestic industry, the investigating authority is not required to make a determination with regard to that factor. In the present case, the interested parties have not submitted any evidence to substantiate their claims.
75. The Authority has examined the injury parameters objectively, considering the facts and arguments submitted by the domestic industry and other interested parties. The injury analysis made by the Authority hereunder addresses the various submissions made by the interested parties.

### H.3.1 Volume effect of the dumped imports

#### a. Assessment of demand/consumption

76. The Authority has determined demand or apparent consumption of the product in India as the sum of domestic sales of the domestic industry, sales of other producer and imports of 2EH from all sources.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Imports from subject countries	MT	12,288	44,793	25,878	39,374
2	Imports from other countries	MT	64	9,534	5,202	48,335
3	Sales of the domestic industry	MT	***	***	***	***

	Trend	Index	100	84	109	71
4	Sales of other Indian producers	MT	40,600	46,200	48,100	48,100
<b>5</b>	<b>Total demand</b>	<b>MT</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>
	Trend	Index	100	138	130	166

77. It is seen that the demand for the product sharply increased in 2022-23 but marginally declined in 2023-24. The demand for the product increased again in the period of investigation. Over the investigation period, the demand for the product has increased by 66%.
78. The demand in 2020-21 and 2021-22 was low owing to Covid situations in the domestic market and the decline in demand of the downstream industry. The sharp increase in demand in 2022-23 was due to low demand in the previous two years.

**b. Imports in absolute and relative terms**

79. With regard to the volume of dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or relative to production or consumption in India. For the injury analysis, the Authority has relied on the DG system import data. The information is as below:

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Imports from subject countries	MT	12,288	44,793	25,878	39,374
2	Imports from other countries	MT	64	9,534	5,202	48,335
3	Subject imports in relation to					
a	Indian production	%	***	***	***	***
	Trend	Index	100	370	190	347
b	Indian consumption	%	***	***	***	***
	Trend	Index	100	264	162	193
a	Total imports	%	***	***	***	***
	Trend	Index	100	83	84	45

80. It is noted that:
- The subject imports increased in 2022-23, declined in 2023-24 and increased again in the period of investigation.
  - The domestic industry has acknowledged that the increase in subject imports during 2022-23 was attributable to the increase in demand for the product as well as the shutdown of the domestic industry's plant during the same period.
  - As demand for the product declined in 2023-24, imports from the subject countries and other countries also declined. However, the volume of imports from the subject countries increased once again in the period of investigation.
  - The imports from subject countries in relation to production have increased from [\*\*\*] % in the base year to [\*\*\*] % in the period of investigation.

- v. The imports from subject countries in relation to Indian consumption have increased from [\*\*\*] % in the base year to [\*\*\*] % in the period of investigation.
- vi. The imports from other countries have also increased by 64 MT in the base year to 48,355 MT in the period of investigation.
- vii. Imports from both the subject countries and other countries have increased during the period of investigation. Imports from other countries are more than those of the subject countries in POI. Consequently, the share of subject imports in total imports declined from [\*\*\*] % in the base year to [\*\*\*] % in the period of investigation, though the volume of subject imports continues to remain significant.

### H.3.2 Price effect of the dumped imports

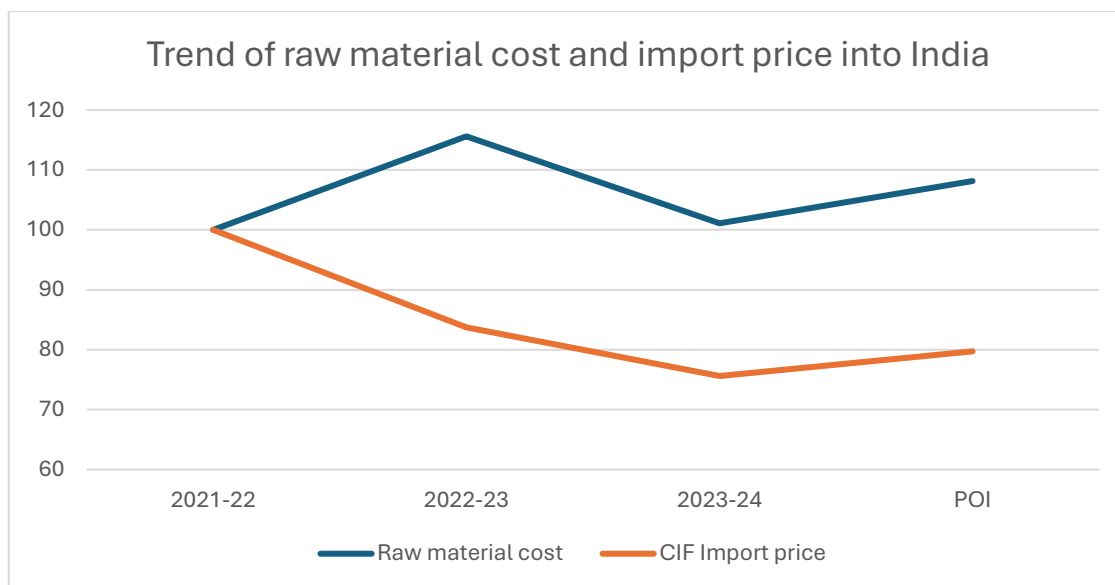
81. In terms of Annexure II (ii) of the Rules, with regard to the effect of the dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product in India, or whether the effect 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. Evolution of price

82. The major raw materials required for the production of 2-Ethyl Hexanol are naphtha and propylene, which together account for more than 90% of the cost of production of 2-Ethyl Hexanol. The table below shows the trend of raw material cost (procurement price) and import prices over the injury period:

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Raw material cost	Rs/MT	***	***	***	***
	Trend	Index	100	116	101	108
2	CIF Import price	Rs/MT	***	***	***	***
	Trend	Index	100	81	74	77

83. It is seen that between 2023-24 and the period of investigation, both raw material prices and import prices from the subject countries have increased. The increase in import prices was lower than the increase in the cost of raw materials. Over the injury period, the raw material prices increased by 8% or Rs [\*\*\*] per MT, whereas import prices from the subject countries declined by 23% or Rs [\*\*\*] per MT. It is therefore seen that import prices have not moved in line with raw material prices.



**b. Price undercutting**

84. 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. The table below shows the price undercutting from the subject countries.

SN	Subject countries	Net sales realization	Landed price	Price undercutting	Price undercutting
		Rs/MT	Rs/MT	Rs/MT	Range
1	European Union	***	1,18,657	***	***
2	Indonesia	***	84,300	***	***
3	Korea RP	***	1,22,736	***	***
4	Malaysia	***	1,04,028	***	***
5	Taiwan	***	1,21,804	***	***
6	USA	***	1,10,761	***	***
7	Weighted average	***	1,16,644	***	***

85. It is seen that the landed price of imports from the subject countries during the period of investigation is higher than the net sales realization of the domestic industry. Accordingly, the price undercutting from the subject countries is negative.

86. It is also seen that the import prices have fluctuated significantly in the period of investigation. The table below shows the monthly landed price in the period of investigation.

SN	Month	European Union	Indonesia	Korea RP	Malaysia	Taiwan	USA
1	Apr-24	1,36,946	-	1,39,736	1,28,621	1,50,704	1,37,218
2	May-24	1,35,046	-	1,47,968	-	1,47,797	-
3	Jun-24	-	84,300	1,16,318	-	1,19,093	1,26,731

4	Jul-24	1,14,407	-	1,25,059	1,05,548	1,16,226	-
5	Aug-24	1,21,766	-	1,14,536	98,945	1,05,118	-
6	Sep-24	1,10,421	-	1,18,755	-	-	-
7	Oct-24	1,79,738	-	-	82,231	-	-
8	Nov-24	-	-	-	-	-	-
9	Dec-24	-	-	96,858	-	-	91,284
10	Jan-25	-	-	-	-	-	99,797
11	Feb-25	1,65,771	-	-	89,807	-	99,000
12	Mar-25	-	-	-	-	-	-

87. It is seen that the import price was higher towards the beginning of the period of investigation and has steeply declined towards the end of the period of investigation. Further, the imports have not shown a consistent trend. Therefore, it is considered appropriate to note monthly price undercutting as given below:

SN	Month	Import In MT	Net selling price Rs/MT	Landed price Rs/MT	Price undercutting Rs/MT	Price undercutting %
1	Apr-24	6,235	***	1,36,717	***	***
2	May-24	3,902	***	1,47,704	***	***
3	Jun-24	6,151	***	1,20,674	***	***
4	Jul-24	4,304	***	1,15,397	***	***
5	Aug-24	6,547	***	1,08,660	***	***
6	Sep-24	2,189	***	1,17,066	***	***
7	Oct-24	668	***	84,911	***	***
8	Nov-24	-	***	-	-	***
9	Dec-24	4,048	***	93,970	***	***
10	Jan-25	3,085	***	99,797	***	***
11	Feb-25	2,244	***	94,603	***	***
12	Mar-25	-	***	-	-	***
13	Total	39,374			***	***

88. The domestic industry has contended that the price undercutting should not be based on a comparison of the landed price of imports with the domestic industry's selling price but should be compared with the price at which orders are placed by consumers on the domestic industry and on exporters during the same month. It has been stated that the customers negotiate its selling prices based on the prices quoted by exporters, and that the time lag between placement of import orders and actual delivery in India is approximately 2 months. Therefore, the selling price in a given month should be compared with import prices prevailing two months earlier. Such an analysis would show positive price undercutting. It has also been contended that exporters extend a substantial interest-free credit period to their customers, which must be factored into the comparison. These factors resulted in negative price undercutting in all previous investigations concerning the product under consideration.

**c. Price suppression and depression**

89. 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 follows:

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Cost of sales	Rs/MT	***	***	***	***
	Trend	Index	100	118	103	116
2	Selling price	Rs/MT	***	***	***	***
	Trend	Index	100	88	82	74
3	Landed price	Rs/MT	***	***	***	***
	Trend	Index	100	83	77	80

90. It is seen that:

- i. In 2022-23, while the cost of sales of the domestic industry increased by 18 index points, its selling price declined by 12 index points. Consequently, the profitability of the domestic industry recorded a sharp decline in profits.
- ii. In 2023-24, both the cost of sales and the selling price of the domestic industry declined. However, since the selling price did not decline in the same proportion as the reduction in cost of sales, the profitability of the domestic industry showed improvement.
- iii. During the period of investigation, the cost of sales increased by 13 index points, whereas the selling price of the domestic industry declined by 8 index points. The domestic industry was thereby forced to sell the product at a loss.
- iv. Over the injury period, the cost of sales increased by 16% or Rs [\*\*\*] per MT, but the selling price declined by 26% or Rs [\*\*\*] per MT. The landed price of imports has declined by 20% or Rs [\*\*\*] per MT.
- v. The imports were depressing the selling price of the domestic industry in the market over the injury period and preventing the price increases that would have occurred in view of the increase in costs.

91. It is noted that while the cost of sales of the domestic industry increased by 13 % in the period of investigation as compared to the previous year, the landed price of the subject imports increased only by 3% over the same period. As a result, the domestic industry was compelled to reduce its selling prices and sell the product at a loss.

### H.3.2 Economic parameters of the domestic industry

92. Annexure II to the Rules provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity,

return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. The various injury parameters relating to the domestic industry are discussed below. The Authority has examined the injury parameters objectively, taking into account various facts and arguments made by the interested parties in their submissions.

**a. Production, capacity, capacity utilisation and domestic sales**

93. The Authority has considered capacity, production, capacity utilization and domestic sales of the domestic industry over the injury period.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Capacity	MT	***	***	***	***
	Trend	Index	100	100	100	100
2	Capacity utilisation	%	***	***	***	***
	Trend	Index	100	86	105	71
3	Production of PUC	MT	***	***	***	***
	Trend	Index	100	86	105	71
4	Domestic sales	MT	***	***	***	***
	Trend	Index	100	84	109	71
5	Domestic sales	Rs. Lacs	***	***	***	***
	Trend	Index	100	74	90	53

94. It is noted that:

- i. The capacity of the domestic industry has remained constant over the injury period.
- ii. The Indian industry has the capacity to cater to around [\*\*\*%] of the domestic demand.
- iii. The production and capacity utilisation of the domestic industry declined in 2022-23. The domestic industry has submitted that this decline was on account of a shutdown of its plant for maintenance purposes.
- iv. As the plant operated during 2023-24, both production and capacity utilisation improved. However, during the period of investigation, production as well as capacity utilisation again declined.
- v. The domestic industry has submitted that the decline in production and capacity utilisation during the period of investigation was partly due to dumping of the product in the country and partly due to non-availability of raw materials, leading to the shutdown of its plant.
- vi. Domestic sales of the domestic industry followed the same trend as that of production. During the period of investigation, the domestic industry was able to sell 98% of its production, though by selling the product at a loss. The domestic industry has reported a revenue loss of Rs. [\*\*\*] crore during the period of investigation.

95. The domestic industry has submitted that it had taken a shutdown from 9 September 2024 to 5 October 2024 during the period of investigation. The domestic industry has provided a monthly production statement and daily production reports for the product. It is seen that despite having sufficient raw material stocks, the domestic industry did not undertake production. It is seen that while no production was undertaken for 26 days period from 9 September 2024 to 5 October 2024 because of raw material availability, the domestic industry did not produce for [\*\*\*] days in the period of investigation. The domestic industry has submitted that production was not undertaken in [\*\*\*] days because of the lack of demand for its product because of dumping, and even after selling at a loss. Thus, the primary reason for the absence of production by the domestic industry for a significant part of the period of investigation was the presence of low-priced imports from the subject countries. As the domestic industry was unable to realise reasonable prices, it decided not to produce the product.
96. The Authority examined the monthly capacity utilisation of the domestic industry. The table below shows the operating rate of the domestic industry on a monthly basis over the injury period, excluding the periods during which the domestic industry's plant was shut down either for maintenance or due to a shortage of raw materials.

SN	Month	Utilization			
		2021-22	2022-23	2023-24	2024-25
1	April	***	***	***	***
2	May	***	***	***	***
3	June	***	***	***	***
4	July	***	***	***	***
5	August	***	***	***	***
6	September	***	***	***	***
7	October	***	***	***	***
8	November	***	***	***	***
9	December	***	***	***	***
10	January	***	***	***	***
11	February	***	***	***	***
12	March	***	***	***	***
13	<b>Average</b>	***	***	***	***

97. It is seen that the operating rate of the domestic industry in the past was significantly higher than the operating rate during the period of investigation. Despite an increase in demand, the capacity utilisation of the domestic industry declined during the period of investigation.
98. It is therefore considered that the dumping of the product also adversely impacted production, capacity utilization and sales of the domestic industry in the POI.

**b. Market share**

99. The Authority has examined the effect of the dumped imports on the market share of the domestic industry, other Indian producers, subject countries and other countries as under.

SN	Market share of	UOM	2021-22	2022-23	2023-24	POI
1	Domestic industry	%	***	***	***	***
	Trend	Index	100	61	84	43
2	Other Indian producer	%	***	***	***	***
	Trend	Index	100	82	91	72
3	Subject countries	%	***	***	***	***
	Trend	Index	100	264	162	193
4	Other countries	%	***	***	***	***
	Trend	Index	100	10,825	6,282	45,717

100. It is seen that:

- i. The market share of the domestic industry declined in 2022-23, increased in 2023-24, but declined again in the period of investigation.
- ii. The market share of imports from the subject countries moved opposite to that of the domestic industry. The market share of the subject countries increased sharply in 2022-23. Market share declined in 2023-24 but increased again during the period of investigation.
- iii. The market share of imports from other countries has also increased significantly in the period of investigation as compared to the base year.
- iv. The market share of the Indian industry as a whole has also significantly declined in the POI as compared to the base year.
- v. Despite having the capacity to cater to [\*\*\*] % of the demand, the share of the Indian industry is restricted to [\*\*\*] %.

**c. Profitability, cash profit and return on capital employed**

101. The performance of the domestic industry has been examined in respect of profitability, profits, cash profits, PBIT, and return on investment.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Profit/loss	Rs/MT	***	***	***	***
	Trend	Index	100	22	34	-19
2	Profit/loss	Rs lakhs	***	***	***	***
	Trend	Index	100	19	37	-13
3	Cash profit	Rs/MT	***	***	***	***
	Trend	Index	100	23	34	-18
4	Cash profit	Rs lakhs	***	***	***	***
	Trend	Index	100	19	38	-13
5	PBIT	Rs/MT	***	***	***	***
	Trend	Index	100	24	35	-16

6	PBIT	Rs lakhs	***	***	***	***
	Trend	Index	100	20	38	-11
7	ROI	Rs/MT	***	***	***	***
	Trend	Index	100	16	30	-10

102. It is seen that:

- i. The domestic industry was in profit in 2021-22 but as the volume of imports sharply increased in 2022-23, the profits of the domestic industry significantly declined. With a decline in import volume from the subject countries in 2023-24, the domestic industry's profits improved.
- ii. With an increase in the dumped imports in the period of investigation, the profits of the domestic industry declined sharply and turned into losses.
- iii. A similar trend has been seen in the cash profit and profit before interest. Both cash profits and PBIT have declined over the injury period and are negative in the period of investigation.
- iv. As the domestic industry is suffering losses, the return on investment has sharply declined and turned negative in the period of investigation.

**d. Inventories**

103. The inventory position with the domestic industry over the injury period is given in the table below:

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Opening inventory	MT	***	***	***	***
2	Closing inventory	MT	***	***	***	***
3	Average inventory	MT	***	***	***	***
	Trend	Index	100	328	298	155

104. It is seen that in the base year, the closing inventory was low. With a sharp increase in imports from the subject countries, the domestic industry's closing inventory increased significantly. However, as subject imports declined in the subsequent period, the closing inventory of the domestic industry also decreased. Subsequently, with a sharp increase in imports from the subject countries during the period of investigation, the closing inventory of the domestic industry increased again. There is a direct relation between an increase in the inventory of the domestic industry and an increase in subject imports. It is also seen that the inventory levels of the domestic industry were higher in the period of investigation compared to the base year.

105. The Authority further notes that although the domestic industry was able to sell more than [\*\*\*%] of its production, it came at a significant loss of profitability. The domestic industry has provided details of daily production and sales, which show that the inventory with the domestic industry had reached an alarmingly high level of [\*\*\*] MT before it suspended production at its production line. Therefore, it is considered that while the

inventory declined, the decline was attributable to the suspension of production and the significant loss of profitability.

**e. Employment, wages and productivity**

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

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	No of employee's	Nos.	***	***	***	***
	Trend	Index	100	99	105	101
2	Salaries & Wages	Rs. Lacs	***	***	***	***
	Trend	Index	100	101	112	101
3	Productivity per day	MT	***	***	***	***
	Trend	Index	100	86	105	71
4	Productivity per employee	MT	***	***	***	***
	Trend	Index	100	87	100	71

107. It is seen that:

- i. The level of employment and the salary and wages of the domestic industry marginally increased over the injury period.
- ii. Productivity per day and productivity per employee of the domestic industry have declined in the period of investigation.

**f. Growth**

108. The growth of the domestic industry in terms of capacity, production, domestic sales volume, PBT, PBIT, cash profits and the return on capital employed is as per the table given below:

SN	Particulars	UOM	2022-23	2023-24	POI
1	Production	Y/Y	-14%	21%	-32%
2	Capacity Utilisation	Y/Y	-14%	21%	-32%
3	Domestic Sales	Y/Y	-16%	30%	-35%
4	Inventory	Y/Y	228%	-9%	-48%
5	Profit Per Unit	Y/Y	-78%	53%	-156%
6	Profit in Rs Lacs	Y/Y	-81%	99%	-136%
7	Cash Profit in Rs Lacs	Y/Y	-81%	98%	-133%
8	ROCE	Y/Y	-84%	93%	-133%

109. It is seen that the growth of the domestic industry during the period of investigation has been negative in all the volume and price parameters.

**g. Ability to raise capital investment**

110. It is seen that there is a demand and supply gap in the country. It is also noted that the profitability and return on capital employed of the domestic industry has declined and the domestic industry was operating with losses during the period of investigation. Therefore, the ability to raise capital investment has been severely impacted, preventing the domestic industry from expanding its capacity.

**h. Factor affecting the domestic prices.**

111. The examination of DG System imports data shows that the import price from the subject countries is higher than the selling price of the domestic industry. However, the landed price of subject imports has not moved in proportion to the changes in cost. As a result, the domestic industry was compelled to reduce its selling price, which fell below the cost of sales. This had a significant adverse impact on the profitability of the domestic industry. The fact that the domestic industry has incurred losses and recorded a negative return on investment during the period of investigation clearly demonstrates the adverse effects of continued dumped imports.

**i. Magnitude of dumping**

112. It is seen that there is continued dumping of the subject goods in India from the subject countries.

**I. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF INJURY**

**I.1 Submission of the other interested parties**

113. The other interested parties have made the following submissions with regards to injury and causal link:

- a. Duty should not be continued on Indonesia as there are no imports.
- b. There is no likelihood of dumping from Malaysia and Indonesia. As imports from Malaysia have more or less remained at the same level, demonstrating that the pattern will not change.
- c. PT Petro Oxo Nusantara operates at high-capacity utilisation, has no excess capacity or expansion plans.
- d. BASF Group operates at high-capacity utilisation, has no excess capacity or expansion plans, and enjoys higher profitability in third-country markets.
- e. India accounts for a marginal share of BASF's total sales and exports to other countries at higher prices.
- f. Domestic industry reliance on past dumping margins to allege continued dumping is legally unsustainable, as dumping margins alone cannot establish continuation or likelihood of dumping without examining actual import volumes and causal link.
- g. Imports from Taiwan show no consistent rising trend, and the domestic industry has failed to segregate subject imports from non-subject and fresh dumping sources.
- h. The allegations of excess capacities in the subject countries, particularly Taiwan, are unsubstantiated and based on selective reliance on global capacity data.
- i. Installed capacity alone does not demonstrate dumping risk, and actual import trends from Taiwan show no abnormal or sustained surge during the injury period.

- j. Domestic industry's reliance on alleged dumping in third-country markets is wholly irrelevant to the present sunset review. An SSR is limited to assessing the likelihood of continuation or recurrence of dumping and injury in the Indian market, and export pricing in other countries has no legal relevance.
- k. Exports to third countries are profitable and priced higher than the domestic market.

## **I.2 Submission of the domestic industry**

114. The domestic industry has made the following submissions with regard to injury and causal link:

- i. Despite duties being in place, producers from the subject countries continue to dump the product in the Indian market.
- ii. Nan Ya Corporation claims China is its largest market. However, with significant capacity expansion in China, the producer is likely to seek alternative markets.
- iii. BASF PETRONAS Chemicals Sdn. Bhd. shows a significant decline in exports to third countries. As exports declined, the producer's production and capacity utilisation fell, and it operated with the idle capacity.
- iv. Global demand for the product is around 4.5 million MT, while total installed capacities of producers in the subject countries alone are around 5.7 million MT. Producers in the subject countries have significant excess capacities, substantially higher than Indian demand and even exceeding demand in their domestic markets.
- v. Producers from Korea and Taiwan export more than 60% of their installed capacity to international markets, including India, demonstrating that they are highly export oriented.
- vi. Although Indonesia did not export to India during the period of investigation, public information shows that the Indonesian producer exports nearly 80% of its production globally.
- vii. No imports from Indonesia occurred during the period of investigation due to the highest anti-dumping duty imposed on the country. This absence of imports demonstrates the likelihood of continued dumping and injury if the duty is withdrawn.
- viii. Producers from the subject countries are dumping not only in India but also in other third-country markets, with a significant share of exports sold below normal value or at dumped prices.
- ix. India is a lucrative and important market for producers from the subject countries.
- x. The historical import data shows that whenever Indonesian exports enter the Indian market, they are priced at significantly low levels. When the imports from Indonesia were present, the landed prices of Indonesian imports were consistently lower than the highest landed prices from other subject countries.

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

115. The Authority has examined the likelihood of continuation or recurrence of injury considering the requirement laid down under Section 9A (5), Rule 23 and parameters

relating to the threat of material injury in terms of Annexure - II (vii) of the Anti-dumping rules and other relevant factors brought on record by the interested parties.

116. The present investigation is a sunset review of duties imposed on the imports of the product under consideration from the European Union, Korea, Taiwan, Malaysia, the USA and Indonesia. Under the Rules, the Authority is required to determine whether cessation of existing duty is likely to lead to continuance or recurrence of dumping and injury to the domestic industry.
117. Producers from Indonesia, Malaysia and Taiwan have participated in the present investigation. It is seen that the participating producers from Indonesia and Malaysia are the sole producers in the respective countries. Therefore, the data of these producers has been considered to examine the likelihood. For the European Union, Korea, and the USA, the information on record has been considered.
118. There are no specific methodologies available to conduct such a likelihood analysis. However, Clause (vii) of Annexure II of the Rules provides, inter alia, for factors which are required to be taken into consideration, viz.
- a. A significant rate of increase of dumped imports into India, indicating the likelihood of substantially increased importation.
  - b. Sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports.
  - c. Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices and would likely increase demand for further imports; and
  - d. Inventories of the article being investigated.
119. The Authority has, *inter alia*, considered the above requirements and the following parameters in order to determine whether dumping is likely in the event of cessation of anti-dumping duty, and if so, whether the same is likely to cause injury to the domestic industry in case of cessation of anti-dumping duty. Additionally, the Authority has examined all the relevant information brought on record by the domestic industry and the other interested parties.
- a. Continued dumping of the subject goods from subject countries.**
120. The table below shows the dumping margin determined by the Authority in the original, the first sunset and the present investigation (for the participating producers).

SN	Subject countries	Original Investigation	1 <sup>st</sup> SSR investigation	Present investigation
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1	PT Petronas, Indonesia	0-10%	10-20%	NA
2	BASF Petronas Chemicals Sdn Bhd, Malaysia	0-10%	0-10%	0-10%
3	Nan Ya Plastics Corporation, Taiwan	No participation	No participation	0-10%
4	European Union	25-35%	20-40%	10-20%
5	Korea RP	0-20%	0-10%	15-25%
6	USA	15-25%	20-30%	10-20%

121. In the case of participating producers, it is seen that the dumping for BASF Petronas Chemicals Sdn Bhd, Malaysia, has continued. PT Petronas, Indonesia, had exported in past but has not exported in the period of investigation. Nan Ya Plastics Corporation, Taiwan, had not participated in the original or 1<sup>st</sup> sunset review investigation but has participated in the present investigation. It is seen that the exports of Nan Ya Plastics Corporation, Taiwan, are at dumped prices.

122. As regards other subject countries from where there is no participation, it is seen that dumping has continued from the European Union, Korea RP and United States of America.

**b. Increase in imports of the subject goods from subject countries.**

123. The table below shows the import volume in the injury period.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Demand	MT	***	***	***	***
2	Indian capacity	MT	***	***	***	***
3	Imports from other countries	MT	64	9,534	5,202	48,335
4	Gap	MT	***	***	***	***
	Trend	Index	100	11,087	9,539	7,361
5	Imports from subject countries	MT	12,288	44,793	25,878	39,374

124. It is seen that imports of the subject goods from the subject countries increased sharply in 2022-23, declined in 2023-24 and further increased in the period of investigation. Overall, imports from the subject countries have increased over the injury period.

125. The increase in imports is more than the demand and supply gap in the country. While the demand for the product increased from [\*\*\*] MT in the base year to [\*\*\*] MT in the period of investigation, i.e. an increase of 60%, the imports from the subject countries have increased from 13,499 MT in the base year to 40,219 MT in the period of investigation, i.e. an increase of 198%. Thus, the increase in imports from the subject countries has far exceeded the growth in demand.

126. The fact that the increase in dumped imports is more than the increase in demand, despite the existing anti-dumping measures in place, shows a likelihood of a further surge in imports in the event of the expiry of the measures.

**c. Surplus capacities of the subject goods from subject countries.**

127. The domestic industry has provided global figures of demand and capacity and claimed that global capacities are significantly higher than the demand. The global demand for the product stands at approximately 4.5 million MT, the total installed capacities of the producers in the subject countries alone are around 5.7 million MT, therefore, the producers will always look for markets to export in order to utilise their idle capacities.

128. The table below shows the capacity and export sales of the participating producers. In the case of countries where there is no participation, the information available on record has been considered.

SN	Subject countries	Capacity/ Production	Export sales	Export orientation
1	PT Petronas, Indonesia	***	***	90-100%
2	BASF Petronas Chemicals Sdn Bhd, Malaysia	***	***	15-25%
3	Nan Ya Plastics Corporation, Taiwan	***	***	65-75%
4	European Union	7,15,000	1,65,751	23%
5	Korea RP	2,90,000	1,94,965	67%
6	USA	8,80,000	1,58,478	18%

*Source: In case of participating producers, production has been considered. In case of European Union, Korea RP and USA, capacity has been considered as per ICIS Market reports as no information is available on production.*

129. It is seen that a significant share of capacities is being utilised for export purposes, showing that the producers in the subject countries are operating with surplus capacities.

**d. Decline in demand for the producers in the subject countries.**

130. The domestic industry has submitted that the demand for producers in the subject countries has declined as the producers have lost a significant export market to China. It has been stated that the participating producers have acknowledged that one of the largest markets is China. However, there has been significant capacity expansion in China, and Chinese producers reportedly possess capacities sufficient to cater to more than 50% of global demand. Therefore, there is a likelihood of a decline in exports to the Chinese market, which would lead to diversion of surplus exports to the Indian market.

e. **India is a lucrative market for the subject countries.**

131. The table below shows the exports made to third countries by the responding producers from the subject countries and the volume of exports at attractive prices (exports below the price to India).

SN	Subject countries	Total exports	Attractive exports	Share of attractive export
1	PT Petronas, Indonesia	***	***	90-100%
2	BASF Petronas Chemicals Sdn Bhd, Malaysia	***	***	30-40%
3	Nan Ya Plastics Corporation, Taiwan	***	***	90-100%
4	European Union	3,00,611	2,07,136	69%
5	Korea RP	1,83,493	1,37,153	75%
6	USA	1,49,639	18,653	12%
	Demand in India		1,71,675	
	Attractive exports as % of demand		344%	

Source: Exports for the European Union, Korea, and USA are as trademark data.

132. It is seen that

- a. In the case of PT Petronas, Indonesia, 94% of exports are at attractive prices to third countries.
- b. In the case of BASF Petronas Chemicals Sdn Bhd, Malaysia, 37% of exports are at attractive prices to third countries.
- c. In the case of Nan Ya Plastics Corporation, Taiwan, 93% of exports are at attractive prices to third countries.
- d. In the case of the European Union, 69% of exports are at attractive prices to third countries.
- e. In the case of the Korea RP, 75% of exports are at attractive prices to third countries.
- f. In the case of the USA, 12% of exports are at attractive prices to third countries.

f. **Third country injurious exports.**

133. The table below shows the exports made to third countries by the responding producers from the subject countries and the volume of exports at injurious prices (exports below the non-injurious price).

SN	Subject countries	Total exports	Injurious exports	Share of injurious export
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1	PT Petronas, Indonesia	***	***	80-90%
2	BASF Petronas Chemicals Sdn Bhd, Malaysia	***	***	40-50%
3	Nan Ya Plastics Corporation, Taiwan	***	***	80-90%
4	European Union	3,00,611	21,742	7%
5	Korea RP	1,83,493	22,683	12%
6	USA	1,49,639	42,836	29%
	Demand in India		1,71,675	
	Injurious exports as % of demand		175%	

Source: Exports for the European Union, Korea, and USA are as trademap data.

134. It is seen that

- a. In the case of PT Petronas, Indonesia, 80-90% of exports are at injurious prices.
- b. In the case of BASF Petronas Chemicals Sdn Bhd, Malaysia, 40-50% of exports are at injurious prices.
- c. In the case of Nan Ya Plastics Corporation, Taiwan, 80-90% of exports are at injurious prices.
- d. In the case of the European Union, 7% of exports are at injurious prices.
- e. In the case of Korea RP, 12% of exports are at injurious prices.
- f. In the case of the USA, 29% of exports are at injurious prices.

#### **J. CAUSAL LINK & NON-ATTRIBUTION ANALYSIS**

135. As per the Rules, the Authority is required to, inter alia, examine any known factors other than dumped imports which are injuring or are likely to cause injury to the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. While the present investigation is a sunset review investigation and a causal link has already been examined in the original investigation, the Authority examined whether other known listed factors have caused or are likely to cause injury to the domestic industry. It was examined whether other factors listed under the Rules could have contributed or are likely to contribute to the injury suffered by the domestic industry.

##### **a. Volume and price of imports from third countries**

136. Apart from the imports from the subject countries, there were imports above de-minimis level from China PR and Saudi Arabia. It is seen that the imports from China PR and Saudi Arabia are below the estimated normal value. However, the injury margin determined for China and Saudi Arabia is negative.

##### **b. Contraction in demand**

137. It is seen that the demand for the product under consideration has increased over the injury period. The investigation has not shown that the demand is likely to decline. Therefore, a decline in demand or a likely decline in demand cannot be a cause of injury to the domestic industry.

c. Trade restrictive practices

138. There is no trade restrictive practice that has caused or is likely to cause injury to the domestic industry.

d. Development of technology

139. Information on record shows that technology for the production of the product has not undergone any change. Therefore, technology cannot be a cause of injury to the domestic industry.

e. Export performance

140. The domestic industry has not exported the product to the international market. Therefore, export performance cannot be the cause of injury to the domestic industry.

f. Performance of other products of the company

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

**K. MAGINTUDE OF INJURY MARGIN**

142. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in AD Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the information/data relating to the cost of production provided by the domestic industry. The NIP has been considered for comparing the landed price from the subject countries for calculating the injury margin. For determining the NIP, the best utilisation of the raw materials and utilities has been considered over the injury period. Best utilisation of production capacity over the injury period has been considered. Extraordinary or non-recurring expenses have been excluded from 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 pretax profit to arrive at the NIP as prescribed in Annexure III to the AD Rules.

143. The landed price and non-injurious price determined above have been compared for the product under consideration. The weighted average of the injury margin determined for the producers/exporters is provided in the table below:

SN	Particular	Non-injurious price (\$/MT)	Landed price (\$/MT)	Injury margin		
				(\$/MT)	%	Range
<b>A</b>	<b>Taiwan</b>					
1	Nan-Ya Plastics Corporation	***	***	***	***	Negative

2	Any other	***	***	***	***	Negative
<b>B</b>	<b>Malaysia</b>					
1	BASF Petronas Chemicals Sdn. Bhd.	***	***	***	***	0-10%
2	Any other	***	***	***	***	10-20%
<b>C</b>	<b>European Union</b>					
1	Any other	***	***	***	***	Negative
<b>D</b>	<b>Korea RP</b>					
1	Any other	***	***	***	***	Negative
<b>E</b>	<b>USA</b>					
1	Any other	***	***	***	***	Negative

## **L. INDIAN INDUSTRY INTEREST AND OTHER ISSUES**

### **L.1 Submission made by the other interested parties**

144. The other interested parties have made the following submissions about the Indian industry's interest:

- a. Imposing or continuing duties would artificially restrict sourcing options, distort market dynamics, and disrupt efficient supply chains, ultimately harming the broader economy.
- b. Continuing duties would unjustly shield an inefficient producer, harm consumers and downstream industries, and discourage efficiency, whereas removing them would promote competition, investment, and a healthier domestic industry.
- c. 2-Ethylhexanol is a key raw material predominantly used in the manufacture of plasticisers such as Dioctyl Phthalate and Di-Octyl Terephthalate.
- d. These downstream products are subject to an inverted duty structure under the Korea-India CEPA and the ASEAN-India FTA.
- e. This inverted duty structure is already imposing significant cost pressure on domestic producers of DOP and DOTP.
- f. The imposition of anti-dumping duties on 2-EH, over and above the existing basic customs duties, further aggravates this disadvantage and renders the duty inversion even more severe.
- g. The continuation of the duty on 2-EH will impose a significant burden on downstream industries that rely on imported 2-EH for manufacturing plasticizers, solvents, and related chemicals. This results in increased raw material costs and threatens the viability of these downstream businesses.
- h. About 75% of 2-EH used by the plasticizer industry is utilized in the manufacturing of Dioctyl Phthalate (DOP) and Di-Octyl Terephthalate (DOTP). The imposition of ADD would have a significantly higher and adverse financial impact on DOP and DOTP user industries.
- i. The domestic industry's assertion that anti-dumping duty leads to only a 1% financial impact on downstream industries understates the real effect, and it would be much higher, depending upon the user country.

- j. Domestic industry's disclosure of CSR expenditure is irrelevant to this anti-dumping investigation. CSR spending has no impact on dumping, injury, or causal link determinations under the Anti-Dumping Rules.
- k. Anti-dumping measures are temporary and remedial, not a means for perpetual protection. The repeated initiation of investigations by the petitioner reflects attempts to shield the industry from normal market competition rather than address actual import injury.
- l. Continuation of duties beyond this period would defeat the purpose of the sunset review. The Authority should assess whether the domestic industry can now compete on its own merits, allowing normal market forces to prevail.
- m. Imports are necessary to meet the domestic demand. There is a significant demand-supply gap of around 85,677 MT.
- n. The domestic industry's estimate of the impact of the duty is erroneous. The actual impact of the duties on DOA is around 10% and on DOP and DOTP, it extends to 16.79% and 15.84% respectively.
- o. The plasticizer market is growing, and there are about 15 plasticiser producers in India. It is not possible for all plasticizer producers to rely on the domestic industry and BPCL to meet their requirements.
- p. In addition to the demand-supply gap, the domestic industry is inefficient and has a 30-year-old plant. The supply chain of the domestic industry's raw material is also uncertain and unreliable.
- q. Downstream users are impacted by the combined effects of high anti-dumping duties, disruption in the supply of the PUC by the domestic industry on account of shutdowns and inverted duty structure.
- r. The purpose of anti-dumping duties is to provide temporary protection against unfair imports. The duties, which have been in force for 26 years, have served their purpose and are no longer required.

## **L.2 Submission made by the domestic industry**

145. The domestic industry has made the following submissions with regard to the Indian industry's interest:
- a. The downstream industry claimed that anti-dumping duties had a double-digit impact. However, the duty constitutes only 1-4% of the landed price and given that consumption norms are not 1:1, the actual impact cannot exceed 1-4%.
  - b. Since this is a sunset review, any effect of anti-dumping duties on the downstream industry would have already occurred. No adverse impact has been observed.
  - c. The anti-dumping duties have not affected downstream industries, as new downstream players have entered in the market.
  - d. There is no evidence on record to suggest that the past duties have adversely impacted the downstream industry.
  - e. The demand for the product has increased decade despite the duties being in force. Therefore, there is no adverse impact on the downstream industry.
  - f. The producers in the subject countries focus solely on profits and have no interest in the long-term development of the Indian market. They will divert sales if better

- prices are available elsewhere. In contrast, the Indian industry, being domestic, considers the interests of Indian consumers.
- g. If the duties result in the restrictions of imports, it will not lead to the monopolising of the domestic industry in the Indian market. There are imports from non-subject countries as well, and there is another producer in the Indian market.
  - h. The domestic industry has allocated Rs 2,68,64,978 CSR Expenditure for FY 2024-25. The entire CSR amount was disbursed to a non-profit hospital.
  - i. Contrary to the submission that the imports of 40,019 MT were necessitated, the actual demand and supply gap is only \*\*\* MT.
  - j. The Rules do not permit dumped imports to be legitimised merely on the ground that imports are required to bridge a demand-supply gap.
  - k. The moment the plant of the domestic industry was shut down, the exporters increased their prices. It is not only imports that are necessary to ensure stability in the prices, but it is the domestic industry is also necessary to ensure stability. The statement of the interested parties itself establishes the need for a healthy domestic industry.

#### **L.1 Examination by the Authority**

146. The Authority considered whether the recommendation for continuation of imposition of anti-dumping duty will be against public interest. This determination is based on consideration of information on records and interests of various parties including the domestic industry, foreign producers and consumers.
147. It is noted that the purpose of anti-dumping measures, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The Authority recognizes that the continuation of the anti-dumping duties might affect the price levels of the product under consideration as well as other downstream products manufactured by using the subject goods in India. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measures. On the contrary, the continuation of anti-dumping measures would prevent the decline in the performance parameters of the domestic industry that may ensue as a consequence of low-priced imports from the subject countries and help maintain the wider availability of choices to the consumers of the product under consideration.
148. The Authority further notes that imposition of anti-dumping duty does not restrict imports. Imports will continue to happen at fair prices. Anti-dumping duty ensures that the imports are entering the Indian market at fair prices and a level playing field is maintained between the foreign exporters and the domestic industry.
149. The Authority has prescribed an economic interest questionnaire, which was sent to all interested parties in this investigation. The domestic industry, BASF India Limited, KLJ

Petroplast Limited, KLJ Plasticizers Limited, Payal Plasticchem Private Limited and Payal Polyplast Private Limited have filed response to economic interest questionnaire.

150. The table below shows the landed price of imports from the subject countries in the period of investigation and the anti-dumping duty in force. It is seen that the anti-dumping duty is only 1-4% of the landed price.

Country	ADD \$/MT	ADD Rs/MT	Landed Rs/MT	ADD as % of landed
Malaysia	54	4,581	1,04,044	4%
Indonesia	46	3,901	84,300	4.6%
European Union	45	3,884	1,18,645	3%
Korea RP	16	1,328	1,22,683	1%
Taiwan	42	3,626	1,22,297	3%
USA	30	2,529	1,10,772	2%

151. The other interested parties have claimed that continuation of anti-dumping duty would impact the financial performance for the downstream industries by 1% to 7%. However, it is seen that when the anti-dumping duty in force is only 1-4% of the landed price, the anti-dumping duty impact cannot be as high as 7%.
152. The domestic industry has quantified the following impact of anti-dumping duty, considering the duties in force.

Particulars	Unit of Measurement	DOTP (Diocetyl Terephthalate)	DOA (Diocetyl Adipate)	DOM (Diocetyl Maleate)	Octyl Salicylate	OMC (Octyl Methoxycinnamate)
Selling price	Rs/kg	140	150	150	170	170
Import price of 2EH	Rs/kg	109	109	109	109	109
Consumption Norm (SION)	kg/kg	0.6	0.743	0.803	0.558	0.6
Cost in downstream product	Rs/kg	65	81	88	61	65
Current duty	Rs/kg	1.25	1.25	1.25	1.25	1.25
Impact of duty	Rs/kg	0.75	0.93	1	0.69	0.75
Impact of duty	%	0.69	0.85	0.92	0.64	0.69

153. It is seen that the impact of continuation of anti-dumping duty on downstream industries is insignificant.
154. The Authority also notes that anti-dumping duties were in place for more than 9 years. There is no evidence to suggest that there was any adverse impact on the downstream industry as a result of the duties in force. In the event there was any adverse impact, there would have been strong opposition from the user industry in the present investigation.
155. In regard to the contention that there are a demand-supply gap of 85,677 MT and the imports were warranted to meet the demand supply gap. The table below shows the demand supply gap in the country:

SN	Particulars	UOM	POI
1	Domestic industry capacity	MT	***
2	Other producer capacity	MT	47,000
3	Total capacity	MT	***
4	Demand in India	MT	***
5	Imports from sources not subject to duty	MT	45,457
6	Demand and supply gap	MT	***
7	Actual imports from subject countries	MT	40,219

156. It is noted that while the actual demand-supply gap in the country during the period of investigation is [\*\*\* MT], the actual imports from the subject countries amount to 40,219 MT. Evidently, imports from the subject countries more than the actual demand-supply gap in the domestic market. The Authority reiterates that the existence of a demand-supply gap does not justify the dumping of the product in the Indian market. The demand for the product has consistently increased over the injury period, as well as in the period of investigation, which shows that the anti-dumping duties have not adversely affected demand. Accordingly, the continuation of the measures would not restrict the supply to consumers.
157. It is also noted that the imposition of anti-dumping measures does not restrict imports from the subject countries in any way. Further, apart from the Indian industry and imports from subject countries, there are imports from other countries as well. The Indian industry has the capacity to meet the 60% of demand in India. Hence, even if the duties were to have an unintended consequence of reducing import volumes from the subject countries, the downstream industry in India will not run out of supplies.
158. The essential facts of the investigation gathered by the Authority during the course of the investigations and analysed by the Authority in the present disclosure statement are being disclosed to the interested parties to enable these interested parties to offer their comments on these facts. The Authority would conclude the matter after receiving the comments of the interested parties on this disclosure statement.

**SECTION IV****A. METHODOLOGY FOR DETERMINATION OF NON-INJURIOUS PRICE**

159. The non-injurious price has been determined by adopting the verified information/data relating to the cost of production for the period of investigation (1st October 2023 – 30th June 2024) in respect of the domestic industry. Detailed analysis/examination and reconciliation of the financial and cost records maintained by the company, wherever applicable, were carried out for this purpose.
160. The non-injurious price for the domestic industry has been determined in terms of principals outlined in Annexure III to the Rules as briefly described below:
- a) **RAW MATERIAL COST:** The best utilization of raw material by the domestic producers, over the period of investigation and preceding three years period, at the period of investigation rates was considered.
  - b) **COST OF UTILITIES:** The best utilization of utilities by the domestic producers, over the period of investigation and preceding three years period, at the period of investigation rates was considered.
  - c) **PRODUCTION:** The best utilization of production capacities over the period of investigation and the preceding three years period was considered.
  - d) **SALARY & WAGES:** Proprietary of expenses grouped under this head and charged to cost of production was examined. It has been ensured that no extraordinary or nonrecurring expenses were charged to production.
  - e) **DEPRECIATION:** The reasonableness of the amount of depreciation charged to the cost of production was examined to ensure that no charge has been made for facilities not deployed to production of subject goods. Further, amortization of goodwill has been disallowed.
  - f) **IDENTIFICATION AND ALLOCATION / APPORTIONMENT OF EXPENSES:** The reasonableness and justification of various expenses claimed for the period of investigation has been examined and scrutinized by comparing with the corresponding amounts in the immediately preceding year and admitted for computing non-injurious price.
  - g) **REASONABLE RETURN ON CAPITAL EMPLOYED:** A reasonable return (pre-tax) of 22% on average capital employed (i.e., Average Net Fixed Assets and Average Working Capital) for the product under consideration was allowed for recovery of interest, corporate tax and profit.
  - h) Interest is allowed as an item of cost of sales and after deducting the interest, the balance amount of return has been allowed as pre-tax profit to arrive at the non-injurious price.
  - i) **NON-INJURIOUS PRICE FOR THE DOMESTIC INDUSTRY:** The non-injurious price for the product under consideration is proposed as **Rs \*\*\*/MT.**