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F. No. 6/33/2024 - DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi – 110001

Dated: 24th January, 2025

INITIATION NOTIFICATION

CASE No. AD (OI) - 31/2024

Subject: Initiation of anti-dumping investigation concerning imports of “Poly Vinyl Chloride (PVC) Paste Resin” originating in or exported from European Union and Japan.

1. **F. No. 6/33/2024 -DGTR**: Having regards to the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred as the ‘Act’) and the Customs Tariff (Identification, Assessment, and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the ‘Rules’), M/s Chemplast Sanmar Limited (hereinafter referred to as the ‘applicant’) has filed an application before the Designated Authority (hereinafter referred to as the ‘Authority’), for initiation of an anti-dumping investigation on imports of ‘Poly Vinyl Chloride Paste Resin’ also known as ‘PVC Paste Resin’ (hereinafter referred to as the ‘product under consideration’ or ‘subject goods’), originating in or exported from European Union and Japan (hereinafter referred to as the ‘subject countries’).
2. The applicant has alleged that material injury is being caused to the domestic industry due to the dumped imports, originating in or exported from the subject countries and has requested for the imposition of anti-dumping duties on the imports of the product under consideration from the subject countries.

A. PRODUCT UNDER CONSIDERATION

3. The product under consideration in the present application is ‘Poly Vinyl Chloride Paste Resin’ also known as ‘PVC paste resin’ or ‘Emulsion PVC Resin’.
4. PVC Paste Resin is produced using vinyl chloride monomer and is usually sold in the form of white/off-white powder. The PUC is primarily used for manufacturing artificial leather and the other uses of the product are in the manufacturing of rexene , coated fabrics, tarpaulins, conveyer beltings, toys, automotive sealant, adhesives, and gloves.

Unit of measurement

5. The product is traded in kilogram (KG) or metric ton (MT). Therefore, KG/MT has been considered as the unit of measurement.

Exclusions

6. The following products are excluded from the scope of PUC:
- i. Product under consideration with K value below 60K
 - ii. PVC Blending Resin
 - iii. Co-polymers of the PVC paste resin
 - iv. Battery separator resins

Tariff classification

7. The product under consideration is classified under Chapter 39 of the Customs Tariff Act, 1975 under subheading 390410 of the Tariff Classification and has a dedicated classification under ITC HS Code 39041010. The customs classification is indicative only and is in no way binding on the scope of the PUC in the present investigation.
8. The domestic industry has proposed the following Product Control Numbers (PCNs) for the product under consideration into different grades based on their K value in the present investigation:

S.No	Parameter	Range	Code
1.	K Value	60-70	Medium
2.		Above 70	High

9. The parties to the present investigation may provide their comments on the scope of PUC and proposed PCNs, if any, within 15 days of the receipt of intimation of initiation of the investigation.

B. LIKE ARTICLE

10. The applicant has submitted that there are no significant differences in the subject goods produced by the applicant and exported from the subject countries and both are like articles. The product produced by the applicant and imported from the subject countries are comparable in terms of essential product characteristics such as physical and chemical characteristics, manufacturing process & technology, functions & usage, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and have been using the two interchangeably. The two are technically and commercially substitutable, and hence, should be treated as 'like article' under the

Rules. Thus, for the purposes of initiation of the present investigation, the article produced by the applicant has been *prima facie* considered as like article to the product being imported from the subject countries.

C. SUBJECT COUNTRY

11. The subject countries in the present investigation are **European Union(EU)** and **Japan**.

D. PERIOD OF INVESTIGATION

12. The period of investigation (POI) adopted by the Authority for the present investigation is from 1st April 2023 to 30th September 2024 (18 months). The injury examination period covers the periods 1st April 2020 – 31st March 2021, 1st April 2021 – 31st March 2022, 1st April 2022 – 31st March 2023 and the POI.
13. The POI is appropriate as an examination of the period from April 2023 to March 2024 and thereafter April 2024 to September 2024 will allow for a comprehensive assessment of the conditions of the market and injury to the domestic industry, as it will cover the period during which no duties were in force as well as a period when anti-dumping duties were in force on the product under consideration from other countries.

E. DOMESTIC INDUSTRY & STANDING

14. The application has been filed by M/s Chemplast Sanmar Limited. It has been submitted in the petition that there is one another producer of the subject goods in India, namely M/s Finolex Industries Limited. Further, as per the information provided by the applicant, the production of the applicant accounts for major proportion of the total domestic production of the like article in India. It is also submitted that the applicant has neither imported the subject goods from the subject countries nor is related to any exporter or producer in the subject countries or any importer in India.
15. On the basis of the information available on record, Authority is *prima facie* satisfied that the applicant, namely M/s Chemplast Sanmar Limited constitutes eligible domestic industry within the meaning of Rule 2(b) of the Rules and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

F. BASIS FOR ALLEGED DUMPING

a. Normal value for EU & Japan

16. The applicant has constructed the normal value for European Union based on the selling price of the product under consideration in the EU, as reported in the trade journal publication- Argus Media.

17. The applicant has proposed to compute the normal value for Japan based on best estimates of cost of production of the applicant, duly adjusted for material, utilities, and labor to reflect cost in Japan.
18. However, for the purpose of initiation, the Authority has *prima facie* determined the normal value for the subject countries based on cost of production of the applicant, after duly adjusting the administrative, selling & general expenses with reasonable profits. The interested parties may offer their comments on the methodology proposed by the applicant for EU.

b. Export price

19. The export price for the subject goods from subject countries has been estimated by considering transaction-wise import data from DG System. The Authority has, thereafter, made necessary adjustments to arrive at the net export price.

c. Dumping margin

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

G. INJURY AND CAUSAL LINK

21. Information furnished by the applicant has been considered for assessment of injury to the domestic industry on account of dumped imports of the subject goods from the subject countries. The volume of the subject goods from the subject countries has increased in absolute as well as relative terms. The price suppression and depression caused by dumped imports have been preventing the applicant from increasing its prices to recover the full cost and achieve a reasonable rate of return. The applicant has also claimed that because of the adverse volume and price effect of the dumped imports, their performance has deteriorated in respect of market share, cash profit, profits and return on investment etc. There is sufficient *prima facie* evidence that the domestic industry has suffered material injury due to dumped imports from the subject countries.

H. INITIATION OF ANTI-DUMPING INVESTIGATION

22. On the basis of the duly substantiated written application submitted by the domestic industry, and having reached satisfaction based on the *prima facie* evidence submitted by

domestic industry about dumping of subject goods originating in or exported from the subject countries, the injury to the domestic industry and the causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the AD Rules, the Authority, hereby, initiates an anti-dumping investigation to determine the existence, degree, and effect of the alleged dumping in respect of the subject goods originating in or exported from the subject countries and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

I. PROCEDURE

23. The provisions stipulated in Rule 6 of the AD Rules shall be followed in this investigation.

J. SUBMISSION OF INFORMATION

24. All communication should be sent to the Designated Authority via email at email addresses adv13-dgtr@gov.in , consultant-dgtr@govcontractor.in , dd16-dgtr@gov.in and dd12-dgtr@gov.in. It should be ensured that the narrative part of the submission is in searchable PDF/MS-Word format and data files are in MS-Excel format.
25. The known producers/exporters in the subject countries, the government of the subject countries through its Embassy in India, the importers and users in India who are known to be associated with the subject goods are being informed separately to enable them to file all the relevant information within the time limits mentioned in this initiation notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority.
26. Any other interested party may also make a submission relevant to the present investigation in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority within the time limits mentioned in this initiation notification.
27. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
28. The interested parties are further advised to keep a regular watch on the official website of the Directorate General of Trade Remedies at www.dgtr.gov.in for any updated information with respect to this investigation. Interested parties are directed to regularly visit the website of DGTR (<https://www.dgtr.gov.in/>) to stay apprised with the further developments in the subject investigation and remain informed regarding notices that may be issued from time to time regarding questionnaire formats, PCN methodology,

PCN discussion/meeting schedule, notice of oral hearing, corrigendum, amendment notifications, and other such information.

K. TIME LIMIT

29. Any information relating to the present investigation should be sent to the Designated Authority via email at email addresses adv13-dgtr@gov.in , consultant-dgtr@govcontractor.in , dd16-dgtr@gov.in and dd12-dgtr@gov.in within 30 days from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country as per Rule 6(4) of the AD Rules. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings based on the facts available on record and in accordance with the AD Rules.
30. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit as stipulated in this notification.

L. SUBMISSION OF INFORMATION ON CONFIDENTIAL BASIS

31. Any party making confidential submission or providing information on a confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same information in terms of Rule 7(2) of the Rules and in accordance with the relevant trade notices issued by the Authority in this regard. Failure to adhere to the above may lead to rejection of the response/submissions.
32. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire responses, are required to file confidential and non-confidential versions separately.
33. Such submissions must be clearly marked as 'confidential' or 'non-confidential' at the top of each page. Any submission made without such marking shall be treated as 'non-confidential' information by the Authority, and the Authority shall be at liberty to allow other interested parties to inspect such submissions.
34. The confidential version shall contain all information which is, by nature, confidential, and/or other information, which the supplier of such information claims as confidential. For the information that is claimed to be confidential by nature, or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
35. The non-confidential version of the information filed by the interested parties is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (where indexation is not possible) and such information must be

appropriately and adequately summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on a confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons containing a sufficient and adequate explanation as to why such summarization is not possible, must be provided to the satisfaction of the Authority.

36. The interested parties can offer their comments on the issues of confidentiality claimed by the other interested parties within 7 days from the date of circulation of the non-confidential version of the documents.
37. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
38. Any submission made without a meaningful non-confidential version thereof or a good cause statement on the confidentiality claim shall not be taken on record by the Authority.

M. INSPECTION OF PUBLIC FILE

39. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions/responses/information to all other interested parties. Failure to circulate non-confidential version of the submissions/responses/information might lead to consideration of an interested party as non-cooperative.

N. NON-COOPERATION

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



Darpan Jain

(Designated Authority)