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F. No. 06/67/2025-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

Dated: 26th October, 2026

Case No. CVD (OI)-07/2025
SETU Application No.: CVD/OI/15122025/01

NOTIFICATION**PRELIMINARY FINDINGS**

Subject: Countervailing duty investigation concerning imports of "PVC Suspension Resin" originating in or exported from China PR.

A. BACKGROUND OF THE CASE

Having regard to the Customs Tariff Act, 1975 (hereinafter referred to as "the Act") and the Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as "the CVD Rules" or "the Rules"), the Designated Authority (hereinafter referred to as "the Authority") records its preliminary findings as follows.

1. Chemplast Cuddalore Vinyls Limited, DCM Shriram Limited and DCW Limited (hereinafter collectively referred to as "the applicants" or "the domestic industry" or "DI"), represented by TPM Consultants, filed an application before the Authority seeking initiation of a countervailing duty investigation on imports of "PVC Suspension Resin" (hereinafter referred to as "the subject goods" or "the product under consideration" or "PUC") originating in or exported from China PR (hereinafter referred to as "the subject country").
2. Prior to initiation, the Government of India invited the Government of China PR (hereinafter "GOC") for consultations in terms of Article 13.1 of the WTO Agreement on Subsidies and Countervailing Measures (hereinafter "SCM Agreement"). The GOC received the invitation on 09.01.2026; consultations were held on 20.01.2026 and the GOC submitted written comments on the application. In the consultations, the GOC denied the existence of certain programmes, the availment of some of the alleged programmes and the existence of more than a negligible subsidy under some programmes; however, no prima facie evidence denying the existence of the programmes was furnished.
3. On the basis of the duly substantiated application, the Authority initiated the investigation vide Notification No. 06/67/2025-DGTR dated 26.02.2026 under Section 9 of the Act read with the Rules. The initiation notification inadvertently mentioned the case number as "CVD 02/2025" and the SETU Case ID as "CVD/OI/1522025/01"; the correct case number is CVD (OI)-07/2025 and the correct SETU Application No. is

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CVD/OI/15122025/01, which interested parties shall quote in all further correspondence and submissions.

B. PROCEDURE

4. The procedure described below has been followed in the investigation:

- a) The Authority notified the Embassy of China PR in India about the initiation of the investigation in accordance with the Rules by e-mail dated 27.02.2026, forwarding a copy of the non-confidential version of the application.
- b) The Authority forwarded a copy of the initiation notification and the non-confidential version of the application to the known producers/exporters in the subject country, the known importers/users in India, the line Ministry and the domestic industry by e-mails dated 27.02.2026. The Authority had also written to the other known domestic producers, Finolex Industries Limited and Reliance Industries Limited, by e-mails dated 05.02.2026, prior to initiation; no response was received.
- c) The Authority sent exporter questionnaires, importer/user questionnaires and a Government questionnaire to the known parties and to the GOC, seeking information relevant to the investigation. The Embassy of the subject country in India was also requested to advise the producers/exporters to respond to the questionnaire within the prescribed time limit. The Trade Remedy and Investigation Bureau, Ministry of Commerce of the People's Republic of China, has registered as an interested party in the present investigation.
- d) The time limit for filing questionnaire responses was extended by notices dated 17.04.2026 (to 29.04.2026) and 30.04.2026 (to 05.05.2026).
- e) The GOC and the producers, exporters and traders listed in Section G.1 filed their questionnaire responses within the time limit as extended.
- f) The following importers/users filed responses to the importers'/users' questionnaire: Sandeep Organics Private Limited, RMG Polyvinyl India Limited and Wanhua International (India) Private Limited.
- g) The Authority issued an economic interest questionnaire to all interested parties and the concerned Ministry. Responses were filed by the domestic industry and Tricon Dry Chemicals LLC.
- h) The interested parties were invited to comment on the scope of the product under consideration and the PCN methodology, and a meeting was held on 27.03.2026 in this regard. On the basis of the submissions made, the Authority finalised the scope of the product under consideration and decided not to adopt PCNs vide notification dated 02.04.2026.
- i) The domestic industry filed comments on the confidentiality claims, to which replies were filed by Shaanxi Beiyuan, Shanghai Chlor-Alkali, Guangxi Huayi, CNSIG Jilantai and the Zhongtai group.

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- j) The Authority circulated the list of interested parties on 18.08.2026 / 19.08.2026. Requests for correction were received from counsel for the Wanhua group and Tianchen Chemical Co., Ltd. (recorded on the list as "Tianchem").
- k) By notice dated 25.09.2026, having regard to the large number of responding producers/exporters, the Authority selected a sample of three producers/exporters (including their related parties) for the determination of individual subsidy margins. Comments were received from the Chiping Xinfu group, Sandeep Organics Private Limited and the domestic industry. Having considered the comments of the interested parties, including those on the representativeness of the selected sample, the number of subsidy programmes under investigation and the production routes followed by the responding producers/exporters, the Authority, vide notice dated 05.10.2026, withdrew the sampling and decided to determine individual subsidy margins for the following thirteen producers/exporters, including their related parties: (1) Qingdao Haiwan Chemical Co., Ltd.; (2) Tianjin Bohua Chemical Development Co., Ltd.; (3) the Junzheng group (Inner Mongolia Junzheng Chemical Industry Co., Ltd. and Ordos Junzheng Energy & Chemical Industry Co., Ltd.); (4) the Chiping Xinfu group (Chiping Xinfu Huaxing Chemical Co., Ltd. and Chiping Xinfu Polyvinyl Chloride Co., Ltd.); (5) the Wanhua group (Wanhua Chemical (Fujian) Co., Ltd. and Wanhua Chemical Group (Yantai) Olefins Co., Ltd.); (6) Inner Mongolia Erdos Electric Power and Metallurgy Group Co., Ltd.; (7) Xinjiang Shengxiong Chlor-Alkali Co., Ltd.; (8) CNSIG Jilantai Chlor-Alkali Chemical Co., Ltd.; (9) Guangxi Huayi Chlor-Alkali Chemical Co., Ltd. and Shanghai Chlor-Alkali Chemical Co., Ltd.; (10) Shaanxi Beiyuan Chemical Industry Group Co., Ltd.; (11) Tianchen Chemical Co., Ltd. (Tianye); (12) Inner Mongolia Yihua Chemical Industry Co., Ltd.; and (13) Yibin Haifeng Herui Co., Ltd. The producers/exporters were required to ensure that their responses, including those of all related parties involved in the production and sale of the subject goods, were complete in all respects. The responses of certain of these producers/exporters have subsequently been rejected for the reasons set out in Section G.2.
- l) The Authority sought further information through desk-verification questionnaires; replies were received from, inter alia, the Erdos, Wanhua, Guangxi Huayi/Shanghai Chlor-Alkali, Shaanxi Beiyuan and Tianchen groups, together with revised subsidy calculations from Qingdao Haiwan, Tianjin Bohua, Chiping Xinfu, Yibin Haifeng Herui and Tianchen. The information of the domestic industry and of the responding producers will be verified, to the extent considered necessary, before the final findings.
- m) The domestic industry filed additional submissions on the value chain, sampling, precedents, benchmarks and subsidy calculations.
- n) A request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) for the transaction-wise details of imports of the subject goods for the injury period, which has been received by the Authority.
- o) The Authority made available the non-confidential versions of the evidence presented by the interested parties. All interested parties were directed to file

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non-confidential versions of their submissions on the SETU platform, and each interested party was provided access to them.

- p) The period of investigation (POI) is 01.10.2024 to 30.09.2025 (12 months). The injury investigation period covers 2022-23, 2023-24, 2024-25 and the POI. For the examination of non-recurring subsidies, information has also been sought for the period corresponding to the average useful life of assets prior to the POI.
- q) The exchange rates adopted are: (i) INR 86.76 per USD, being the average for the POI of the exchange rates for imports notified by the Central Board of Indirect Taxes and Customs (available at <https://foservices.icegate.gov.in/#/services/viewExchangeRate>); and (ii) RMB 0.2165 per THB, being the average for the POI of the monthly cross-rates derived from the euro foreign exchange reference rates of the European Central Bank (CNY per EUR ÷ THB per EUR; available at https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html), as the Thai Baht is not among the currencies notified by CBIC. The latter rate has been used to convert the Thailand benchmarks into RMB.
- r) *** in this preliminary finding represents information furnished by an interested party on a confidential basis and so considered by the Authority under the Rules.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

5. At the stage of initiation, the product under consideration was defined as follows:

The product under consideration is Homopolymer of Vinyl Chloride Monomer (suspension grade) also known as PVC Suspension Resin manufactured through suspension polymerisation process with K-Value above 55 and upto 77.

The scope of product under consideration excludes PVC suspension resins with K-Value below 55 and above 77. Further, specialty PVC suspension resin such as cross-linked PVC, chlorinated PVC (CPVC), vinyl chloride – vinyl acetate copolymer (VC-VAc), PVC paste resin / emulsion resins, Mass Polymerisation PVC and Polyvinyl Chloride Blending Resins are also excluded from the scope of product under consideration.

The product under consideration is manufactured using suspension polymerisation process. PVC manufactured through emulsion polymerisation, bulk mass polymerization and micro suspension polymerization process are also excluded from the scope of the product under consideration.

The subject goods are classified under Chapter 39 of Schedule I to the Customs Tariff Act, 1975 under the Customs classification 3904 10 20. However, the product under consideration is also being imported under HS Codes 3904 10 10, 3904 10 90, 3904 21 00, 3904 22 00, 3904 90 10 and 3904 90 90. Accordingly, HS code at 4-digit level, that is, 3904 has been considered for the purpose of the present investigation. The Customs classification is only indicative and is not binding on the scope of the product under consideration.

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6. The product under consideration is Homopolymer of Vinyl Chloride Monomer (suspension grade), manufactured through the suspension polymerisation process, with K-value above 55 and up to 77, with exclusions as finalised by the Authority on 02.04.2026. It is classified under heading 3904 (principally tariff item 3904 10 20), as in the duty table; the classification is indicative only. There are no PCNs.

C.1. Submissions made by the domestic industry

7. The applicants submitted that resin produced through the ethylene and calcium-carbide routes is comparable and interchangeable. They further submitted that PVC resins produced through emulsion, bulk mass and micro-suspension polymerisation, and cross-linked PVC, CPVC, VC-VAc, PVC paste resin, mass polymerisation PVC and PVC blending resin are excluded; that the product has a dedicated tariff item 3904 10 20, although about 17% of the imports in the POI were made under other sub-headings; that resin of K-value 55 may be considered excluded; that the definition adopted in the previous anti-dumping investigation may be adopted; that the goods produced by the domestic industry are like article to the imported goods; and that no PCN-wise analysis is required.

C.2. Submissions made by the other interested parties

8. Qingdao Haiwan pointed to an inconsistency in the initiation notification on resin of K-value exactly 55. Sandeep Organics submitted that the production route is a technological characteristic and cannot by itself establish a subsidy.

C.3. Examination by the Authority

9. Upon the comments received from the interested parties, the scope of the product under consideration was finalised on 02.04.2026 as follows:

"Homopolymer of Vinyl Chloride Monomer (suspension grade) also known as PVC Suspension Resin manufactured through suspension polymerisation process with K-value above 55 and upto 77. The product under consideration in the present investigation excludes the following: (i) Ultra-Low K-Value PVC Suspension Resins (K-value upto 55); (ii) Ultra-High K-Value PVC Suspension Resins (K-value above 77); (iii) Cross-linked PVC; (iv) Chlorinated PVC (CPVC); (v) Vinyl chloride - vinyl acetate copolymer (VC-VAC); (vi) PVC paste resin/emulsion resins; (vii) Mass Polymerisation PVC; (viii) Polyvinyl Chloride Blending Resins. Further, PVC resins manufactured through emulsion polymerisation, PVC resins manufactured through bulk mass polymerization, and PVC resins manufactured through micro suspension polymerization process are also excluded from the scope of the product under consideration."

10. To produce the subject goods, vinyl chloride monomer (VCM) is converted into vinyl polymer through the suspension polymerisation process. VCM is produced either from ethylene dichloride (EDC) or from calcium carbide. PVC produced through the ethylene route as well as the carbide route is within the scope of the product under consideration.

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11. None of the interested parties has requested the formation of PCNs, and the domestic industry has submitted that no PCN-wise analysis is needed. Accordingly, PCNs have not been determined in the present investigation.
12. The subject goods produced by the domestic industry and those imported from the subject country are comparable in terms of physical and chemical properties, functions and uses, product specifications, pricing, distribution and marketing and tariff classification. Even though different manufacturing processes/technologies are involved, the end product has comparable specifications and is used interchangeably; the two are technically and commercially substitutable.
13. The scope covers resin with K-value above 55 and up to 77. The production route is relevant to the inputs and programmes that may confer a benefit, not to the scope. The Authority provisionally holds that the subject goods produced by the domestic industry are like article to the product under consideration within the meaning of the Rules.

D. SCOPE OF DOMESTIC INDUSTRY & STANDING**D.1. Submissions of other interested parties**

14. The GOC submitted that the applicants account for 30-40% of Indian production and do not satisfy the "major proportion" requirement of the Rules and Article 11.4 of the SCM Agreement. Other interested parties submitted that the Authority may examine whether DCW Limited purchased the subject goods from manufacturers, traders or importers in the domestic market and, if it procured imported goods, treat it as ineligible to be part of the domestic industry; and that Reliance Industries Limited, the largest producer in India, has been excluded deliberately to show more intense injury, its imports being only 1-10% of its production and not justifying its treatment as an importer.

D.2. Submissions made by the domestic industry

15. The applicants submitted that Finolex Industries Limited and Reliance Industries Limited are regular importers and ineligible to be part of the domestic industry; DCW Limited's imports from a non-subject country are negligible. They further submitted that the other producers have neither supported nor opposed the application; that two new producers, Mundra Petrochem Limited and Indian Oil Corporation Limited, are setting up capacities; that Finolex Industries Limited consumes about 90% of its production captively; that Chemplast Cuddalore Vinyls Limited and DCM Shriram Limited did not import the subject goods in the POI and the applicants are not related to any importer in India or exporter in the subject country; that DCW Limited also purchased the subject goods in the domestic market during the injury period; and that the applicants account for 100% of the domestic production if the other producers are excluded, and for a major proportion of it in any case.

D.3. Examination by the Authority

16. The Authority, at the stage of initiation, examined the standing of the applicants and found that the application satisfied the requirements of the Rules. No information has been placed on record at this stage that alters that determination.

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17. Rule 2(b) of the Rules defines domestic industry as follows:

"(b) "domestic industry" means the domestic producers as a whole engaged in the manufacture of the like article 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 subsidised article, or like article from other countries or are themselves importers thereof, the term "domestic industry" may be interpreted as referring to the rest of the producers."

18. Apart from the applicants, there are two other producers of the subject goods in India, Finolex Industries Limited and Reliance Industries Limited; Mundra Petrochem Limited and Indian Oil Corporation Limited are setting up plants for the manufacture of the subject goods. The applicants have submitted that Finolex Industries Limited and Reliance Industries Limited imported the product under consideration during the POI. The Authority, by e-mails dated 05.02.2026, requested Finolex Industries Limited and Reliance Industries Limited to confirm their status as producers and/or importers of the subject goods, to furnish the prescribed information and to state whether they support or oppose the application. No response has been received from either of them. The information on record shows that both producers imported the subject goods in significant quantities during the POI, which are not negligible in relation to their own production. The Authority has, therefore, provisionally considered them ineligible for the purpose of determining standing.
19. Chemplast Cuddalore Vinyls Limited and DCM Shriram Limited have not imported the subject goods during the POI and are not related to any producer of the subject goods in the subject country or to any importer in India.
20. DCW Limited imported a small quantity of the subject goods during the POI, and only from a non-subject country (Taiwan). These imports are negligible in relation to its production and sales and to total imports into India. It also procured the subject goods in the domestic market during the injury period. As its imports are negligible, DCW Limited has been provisionally considered eligible to constitute the domestic industry.
21. As regards the contention that the domestic procurement by DCW Limited may represent indirect imports, the exclusion under Rule 2(b) of the Rules applies where a domestic producer is itself an importer of the alleged subsidised article. The imports of DCW Limited during the POI were from a non-subject country and constitute a negligible share (0-5%) of its production; purchases in the domestic market do not render it an importer of the subject goods.
22. Accordingly, the Authority provisionally holds that Finolex Industries Limited and Reliance Industries Limited, being importers of the subject goods, are excluded from the domestic industry under Rule 2(b) of the Rules, and that the three applicants, which account for 100% of the eligible domestic production of the like article, constitute the domestic industry. As regards standing, Rule 6(3) of the Rules requires that the application be supported by domestic producers whose collective output constitutes more than 50% of the total production of the like article produced by that portion of the domestic industry

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expressing either support for or opposition to the application, and that the domestic producers expressly supporting the application account for not less than 25% of the total production of the like article. Standing has been examined on the more conservative basis of the total Indian production, i.e. including the production of Finolex Industries Limited and Reliance Industries Limited.

23. It is seen that (a) the applicants, which expressly support the application, account for 30-40% of the total Indian production, which is above the minimum of 25%; and (b) Finolex Industries Limited and Reliance Industries Limited have neither supported nor opposed the application, so that the applicants account for 100% of the production of the domestic producers expressing support for or opposition to it, which is above the required 50%. The application therefore satisfies the standing requirements even on the total Indian production. As regards the contention that Reliance Industries Limited has been deliberately excluded and that the applicants account for only 30-40% of Indian production, Finolex Industries Limited and Reliance Industries Limited have been excluded from the domestic industry under Rule 2(b) of the Rules because they are themselves importers of the subject goods, and not on account of their size or of their non-participation in the investigation. Their non-participation is relevant only in that they have neither supported nor opposed the application and have not disputed the information on their imports. The sale of the product under consideration by Erdos to one of the applicants during the POI is noted; its effect, if any, on the eligibility of that applicant will be examined further at the final stage. The Authority provisionally holds that the applicants constitute the domestic industry within the meaning of Rule 2(b) of the Rules and that the application satisfies the standing requirements of Rule 6(3) of the Rules.

E. ISSUES RELATING TO CONFIDENTIALITY

E.1. Submissions by the domestic industry

24. The domestic industry objected to excessive confidentiality claimed by responding exporters on producer identity, raw materials, ownership and related parties. The claims objected to include the name of the producing entity, the ownership structure and related parties, the location of production facilities/branch companies, the production process, major raw materials, HS codes, product specifications and catalogues, the average useful life of assets, the list of other subsidies received and the government regulations and records relating to grants, the channel of distribution and the normal accounting period. It submitted that responses without proper non-confidential versions should not be taken on record.

E.2. Submissions by other interested parties

25. The respondents submitted that non-confidential summaries were provided.

E.3. Examination by the Authority

26. Rule 8 of the Rules provides as follows:

"(1) Notwithstanding anything contained in sub-rules (1), (2), (3) and (7) of rule 7, sub-rule (2) of rule 14, sub-rule (4) of rule 17 and sub-rule (3) of rule

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19, copies of applications received under sub-rule (1) of rule 6 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 authorisation of the party providing such information.

(2) The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof in sufficient details to permit a reasonable understanding of the substance of the confidential information and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarisation 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 generalised or summary form, it may disregard such information."

27. The Authority has accepted confidentiality claims where good cause was shown and adequate non-confidential summaries were furnished. Information on ownership and on the related parties through which the goods are exported is essential to determine producer groups and the value chain, and has been relied upon to that extent. An exhibit filed by Erdos contains confidential sheets of another responding producer (Inner Mongolia Yihua); these have not been used.
28. As regards the contentions of the domestic industry on excessive confidentiality, the responding parties were directed to file adequate non-confidential versions of their responses. On the basis of the comments filed by the domestic industry, the Authority notes that no prejudice has been caused to it by the non-disclosure of the information sought; the information essential to the determination is reflected in these findings.

F. MISCELLANEOUS SUBMISSIONS

F.1. Submissions by the Government of China PR

- a) The application lacks one-to-one correspondence between programmes and evidence; some instruments have expired (e.g. Caishui [2015] No. 37).
- b) Determinations of other authorities cannot establish programmes in the present case.
- c) The anti-dumping final findings of 14.08.2025 on the same product were not given effect; basic customs duty was exempted from 02.04.2026 to 30.06.2026.

F.2. Submissions by Sandeep Organics Private Limited (importer)

- a) A countervailing duty may be imposed only on a subsidy that is established and quantified (financial contribution, benefit, specificity); lower prices, lower costs,

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government policy, state ownership or production technology do not by themselves establish a subsidy.

- b) Benefit for provision of goods and services must be determined against adequate remuneration in relation to prevailing market conditions; specificity must be separately established.
- c) Sampling does not amount to a finding of subsidy; injury must be caused by subsidised imports through the effects of subsidies and other known factors must not be attributed (Article 15 of the SCM Agreement); the duty cannot exceed the subsidy established; disclosure of essential facts is required.
- d) The importer relies on *Reliance Industries Ltd. v. Designated Authority*, (2006) 10 SCC 368; *Realstrips Ltd. v. Union of India* (Gujarat High Court, SCA No. 4495/2022, 02.09.2022); and *Vedanta Ltd. v. Designated Authority* (CESTAT Final Order No. 50079/2023, 18.01.2023).

F.3. Submissions by other interested parties

- a) The domestic industry has been protected in the past by anti-dumping duty and is seeking continuous protection from imports.
- b) The Ministry of Finance did not accept the recommendation of anti-dumping duty made vide final findings dated 14.08.2025; the safeguard measure (quantitative restriction) recommended on 15.05.2023 was not imposed; and the Poly Vinyl Chloride (PVC) Homopolymers (Quality Control) Order, 2024 was rescinded on 12.11.2025. The present investigation is thus an attempt to re-litigate the injury to the domestic industry.

F.4. Examination by the Authority

- 29. The adequacy of evidence at initiation is distinct from the present determination, which is made programme-by-programme and group-by-group on the information furnished. Non-imposition of anti-dumping duty and other trade-policy measures are not determinative. As no anti-dumping duty is in force on the subject goods, no adjustment for double remedy under Section 9B of the Act arises at present for the export-contingent subsidies found (export seller's credit - Junzheng group; export grants - Tianjin Bohua).
- 30. As regards the contention that the present investigation is an attempt to re-litigate the injury examined in the anti-dumping investigation, anti-dumping and countervailing duty investigations are distinct proceedings under Sections 9A and 9 of the Act, addressing different unfair trade practices, namely dumping and subsidisation. The Act and the Rules do not bar an anti-subsidy investigation on a product merely because the product was earlier subject to an anti-dumping investigation, or because a recommendation in such investigation was not accepted. The POI in the present case (October 2024 - September 2025) is different from that in the anti-dumping investigation (October 2022 - September 2023). The Authority initiated the present investigation on being satisfied with the prima facie evidence of subsidisation, injury and causal link, and is required to determine the matter on merits on the evidence on record. The non-imposition of quantitative restrictions and the rescission of the Quality Control Order have no bearing on the existence of

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countervailable subsidies or on the injury caused to the domestic industry by the subsidised imports.

G. DETERMINATION OF SUBSIDY AND SUBSIDY MARGIN**G.1. Responding parties, producer groups and status of responses**

31. The following producer groups filed responses. Related entities are treated as part of a group only where the related-party disclosures support the relationship.

S.N o.	Producer group	Responding entities	Status (preliminary)
1	Qingdao Haiwan	Qingdao Haiwan Chemical Co., Ltd.	Accepted. Exports also through unrelated traders; resale listings of such traders furnished by the producer.
2	Tianjin Bohua	Tianjin Bohua Chemical Development Co., Ltd.	Accepted. Exports also through Tricon, Stavian, Marubeni (filed) and other traders.
3	Junzheng group	Inner Mongolia Junzheng Chemical Industry Co., Ltd.; Ordos Junzheng Energy & Chemical Industry Co., Ltd.	Accepted.
4	Chiping Xinfu group	Chiping Xinfu Huaxing Chemical Co., Ltd.; Chiping Xinfu Polyvinyl Chloride Co., Ltd.	Accepted.
5	Wanhua group	Wanhua Chemical (Fujian) Co., Ltd.; Wanhua Chemical Group (Yantai) Olefins Co., Ltd.; Wanhua Chemical (Singapore) Pte. Ltd. (related exporter); Wanhua International (India) Pvt. Ltd. (related importer)	Accepted. Wanhua Chemical Group Co., Ltd. (parent, also an electricity supplier to Yantai) did not file.
6	Erdos	Inner Mongolia Erdos Electric Power and Metallurgy Group Co., Ltd. (Chlor-Alkali Chemical Branch Company)	Accepted.
7	Zhongtai group	Xinjiang Shengxiong Chlor-Alkali Co., Ltd.; Xinjiang Zhongtai Import & Export Co., Ltd.; Zhong Tai International Development (HK) Ltd.	REJECTED - facts available (see Section G.2).
8	CNSIG Jilantai	CNSIG Jilantai Chlor-Alkali Chemical Co., Ltd.; China Salt Chemical International Trading Co., Ltd.	REJECTED - value chain incomplete (see Section G.2).
9	Chlor-Alkali Chemical group	Guangxi Huayi Chlor-Alkali Chemical Co., Ltd.; Shanghai Chlor-Alkali Chemical Co., Ltd.	Accepted. Unlisted grants added on facts available (G.5).
10	Shaanxi Beiyuan	Shaanxi Beiyuan Chemical Industry Group Co., Ltd.	REJECTED - consumption of principal inputs not reconciled with purchases (see Section G.2).
11	Tianchen group	Tianchen Chemical Co., Ltd.; Xinjiang Tianyu Xinke New Materials Co., Ltd.; Xinjiang Tianye Foreign Trade Co., Ltd.	Accepted. All goods to India resold by Chongqing Chuandong Chemical (Group) Co., Ltd. (unrelated trader).
12	Yihua	Inner Mongolia Yihua Chemical Industry Co., Ltd.	Accepted.
13	Yibin Tianyuan group	Yibin Haifeng Herui Co., Ltd.; Yibin Tianyuan Group Co., Ltd.; Yibin Tianyuan Materials Industry Group Ltd.	Accepted.

32. Unrelated traders: Tricon Dry Chemicals LLC (USA), Stavian Chemical JSC (Vietnam) and Marubeni Innovexis Corporation (Japan) filed responses; Chongqing Chuandong Chemical (Group) Co., Ltd. filed Formats C, D and E as an unrelated trader of Tianchen goods. Texpo International Ltd. and Zhejiang Jiahua Energy Chemical Industry Co., Ltd. registered but filed no response.

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G.2. Rejection of responses**a. Submissions by the domestic industry**

33. The domestic industry submitted that a majority of imports from China (about *** MT through some *** traders per secondary data) were made through traders who did not participate; that responding producers exported directly only about *** MT; that where the value chain is incomplete the response cannot be relied upon for determining the CIF and the injury margin; and relied on the Authority's findings in Isobutylene-Isoprene Rubber (F.No. 6/05/2023-DGTR, 29.06.2024), Hot-rolled flat products from Vietnam (F.No. 06/15/2024-DGTR, 13.08.2025), Uncoated Copier Paper (F.No. 6/32/2017-DGAD, 30.08.2018 - rejection where 32-43% of exports went through non-cooperating unrelated exporters) and Emulsion SBR (F.No. 6/07/2025-DGTR, 20.03.2026). It named Qingdao Haiwan as an example.

b. Examination by the Authority

34. **CNSIG Jilantai / China Salt Chemical International Trading.** The Format E of China Salt shows *** MT exported to India in the POI, of which *** MT (****%) was sold to Texpo International Ltd., Hong Kong, an unrelated trader which registered but did not file a response. Further quantities were sold to *** (*** MT, ****%), *** (*** MT, ****%) and *** (*** MT, ****%), none of which filed. No resale information of these traders was furnished by the producer. The Authority provisionally holds that the value chain for a substantial part of the exports is incomplete, that the export price to India cannot be established for those exports, and rejects the response. The group is assigned the residual duty.
35. **Shaanxi Beiyuan.** The information furnished by Shaanxi Beiyuan on the consumption and procurement of its principal inputs and utilities does not reconcile: the quantities reported as purchased account for only a small part of the quantities consumed in the production of the subject goods, and the source and terms of supply of the balance have not been disclosed. In the absence of this information, the benefit under the programmes concerned cannot be determined and the response cannot be relied upon. The Authority provisionally rejects the response and applies facts available in accordance with the Rules and Article 12.7 of the SCM Agreement.
36. **Zhongtai group (Xinjiang Shengxiong, Zhongtai I&E, Zhong Tai HK).** All three entities filed responses. Shengxiong sold ****% of its India-bound goods to Zhongtai I&E and ****% to Zhong Tai HK; Zhongtai I&E sold ****% to Zhong Tai HK. Zhong Tai HK sold *** MT, i.e. ****% of its *** MT, to unrelated buyers outside India (****) none of which filed a response; resale data was furnished only for *** (*** MT). As the value chain for the major part of the group's exports to India is incomplete, the export price to India cannot be established for those exports, and the Authority provisionally rejects the response. The group is assigned the residual duty.
37. **Completeness of the value chain.** The same test has been applied to every producer group, with reference to the share of its exports to India sold through unrelated intermediaries which neither filed a response nor whose resale information was furnished. For CNSIG Jilantai (40-50%) and the Zhongtai group (50-60%), such exports constitute

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about one-half of their exports to India, so that the export price cannot be established for a substantial part of their exports, and their responses are rejected. For the other groups, the information on record, including the resale information furnished, is considered sufficient at this preliminary stage. The matter will be examined further at the final stage.

G.3. Calculation methodology

38. A subsidy exists where there is a financial contribution by a government or public body (or income/price support), a benefit is thereby conferred, and the subsidy is specific (Section 9 of the Act and the Rules). The benefit is quantified for each group on the following basis, applied to all groups, save as stated in item i) below:
- a) **Grants:** amounts received and expensed in the POI; asset-related grants received within the AUL of 10 years allocated straight-line (gross / 10).
 - b) **Income-tax programmes:** tax saved in the return for tax year 2024 (HNTE 15% rate, Western Region 15% rate, R&D additional deduction at the applicable rate, special-equipment credit).
 - c) Loans, bill discounting and export seller's credit: benchmark ***% p.a. (short-term rate of DCW Limited, claimed by the domestic industry); benefit = (benchmark - actual rate) x principal-years outstanding in the POI. For Qingdao Haiwan and Tianjin Bohua, see item i).
 - d) **Electricity (LTAR):** benchmark RMB 0.8836/kWh excl. VAT, being the average of the monthly Thailand national average tariff (ERC base tariff + Ft) for the POI converted at the monthly RMB/THB rate; benefit = (benchmark - price paid excl. VAT, incl. fees) x kWh, floored at zero, applied to all suppliers, state-owned and non-state-owned, including captive and related suppliers.
 - e) **Steam coal (LTAR):** benchmark RMB ***/t excl. VAT (highest delivered price paid by a responding producer during the POI), applied to all suppliers, without calorific-value adjustment.
 - f) **Land-use rights (LTAR):** Thailand industrial-land price for the year of acquisition (Knight Frank), converted at the POI average rate; benefit per parcel = (benchmark - price paid) per m² x area, spread over the land-use term (50 years where not stated); government transferors only. For Qingdao Haiwan and Tianjin Bohua, see item i).
 - g) **Denominators:** the electricity benefit is divided by total company turnover, except for the Wanhua group and the Guangxi Huayi / Shanghai Chlor-Alkali group, for which, at this stage, the benefit on all the kWh reported is divided by the turnover of the product under consideration. The coverage of the electricity reported by these producers, and the appropriate matching of the benefit with the turnover, will be examined further at the final stage. All other domestic programmes are divided by total company turnover and export-contingent programmes by total export turnover. For producer groups, benefits and turnovers are aggregated and a single margin determined.

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- h) Inputs not initiated (EDC, VCM, calcium carbide, salt, coke/semi-coke, lime, HCl) are not countervailed in these findings. Ethylene is examined in Section G.5(vii); see item j).
- i) Qingdao Haiwan and Tianjin Bohua furnished complete programme-wise computations linked to their source data. For these two producers the Authority adopts their own computation - their quantities, prices, coverage and denominator (total company sales quantity at the export price to India) - and replaces only the benchmarks by those adopted by the Authority (electricity RMB 0.8836/kWh excl. VAT; steam coal RMB ***/t; interest ***% p.a. on the loan amounts listed by them; land at the Thailand benchmark for the year of acquisition, weighted by area, spread over 50 years). Grants and tax programmes are taken as computed by them; water and inputs not initiated are excluded; ethylene is as in item j).
- j) Ethylene (LTAR): benchmark = the producer's own weighted import price of ethylene in the POI (CFR, excluding VAT); for each domestic supplier, benefit = (benchmark - weighted price paid) x tonnes, floored at zero; applied to every producer group with ethylene purchases on record; divided by total company turnover (Tianjin Bohua: its own denominator, item i)).

G.4. Cooperation of the Government of China

39. The GOC filed a response but, for the grant programmes, referred to the companies' responses, and for the LTAR programmes (water, land, steam coal, electricity) did not furnish ownership and market-share data of suppliers, price-formation information or the GOC's role in those markets. The Authority provisionally draws the inference, on facts available (Article 12.7 of the SCM Agreement and the Rules), that (i) the grid companies and the lending banks are public bodies; (ii) in-country prices of electricity and land are distorted by the GOC's predominant role, warranting out-of-country benchmarks; and (iii) the grants are specific, the GOC having withheld eligibility criteria.

G.5. Examination of the subsidy programmes**(i) Programmes (i) to (viii): Provision of goods and services at less than adequate remuneration (water, land, preferential land to SOEs, steam coal, electricity, land in industrial zones, caustic soda, chlorine)****a. Submission by the domestic industry**

40. The applicants alleged that the GOC, directly and through state-owned enterprises, provides water, land-use rights, steam coal, electricity, caustic soda and chlorine at less than adequate remuneration, and that these programmes are specific to industries and regions. The applicants rely on the Water Law, provincial plans and determinations of the European Commission and the US DOC. In their additional submissions, the applicants proposed benchmarks for electricity (Thailand USD 0.127/kWh or India USD ***/kWh) and land (Thailand THB 250/m² or India INR ***/m²), relying on the Authority's findings in Atrazine Technical (22.08.2019) and Digital Offset Printing Plates (28.03.2025) for Thailand as land benchmark.

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41. The GOC submitted that the evidence is outdated or relates to other industries; that water and electricity prices are uniform within user categories and, since 2021, market-determined; that land is assigned through public bidding; that no respondent purchased caustic soda or chlorine; and that none of the programmes is specific. The responding producers submitted that they purchased water and electricity at the rates applicable to other users in their area, that land was acquired by assignment, that coal is purchased through tenders, and that no benefit was received. Wanhua submitted that its suppliers are not public bodies and that foreign determinations cannot be transposed.

c. Examination by the Authority

42. The groups on the calcium-carbide route (Junzheng, Chiping Xinfu, Erdos, CNSIG Jilantai, Shaanxi Beiyuan, Tianchen, Yihua, Yibin Haifeng Herui) use steam coal, calcium carbide and large quantities of electricity, often captive or from related entities; the groups on the ethylene route (Qingdao Haiwan, Tianjin Bohua, Wanhua, Guangxi Huayi/Shanghai Chlor-Alkali) use ethylene/EDC and grid or related-party power. The programmes are examined input by input below.

(a) Electricity at less than adequate remuneration (programme v)**Submissions by the interested parties**

43. The responding producers submitted that electricity was bought at the rates applicable to other users and that no benefit arose. In their own calculations, Qingdao Haiwan, Tianjin Bohua, Chiping Xinfu, Yibin Haifeng Herui and Tianchen used a benchmark equal to their own price x 1.01 and total company sales; Erdos used its whole-company consumption over PUC turnover; the Wanhua group used a benchmark equal to the Chinese single-part/two-part tariff average (RMB ***/kWh) and divided the benefit by PUC turnover (Fujian **%, Yantai **%; group claim **% for all programmes); CNSIG, the Chlor-Alkali group and Beiyuan stated the programme was not availed. Certain producers represented by Trilegal submitted that total turnover is the correct denominator, while others used PUC turnover. Wanhua submitted that its suppliers are not public bodies and relied on a Malaysian tariff (RMB ***/kWh) as benchmark.

Submissions by the domestic industry

44. The domestic industry proposed a Thailand benchmark of USD 0.127/kWh (globalpetrolprices.com) or, alternatively, an Indian price of USD ***/kWh (INR ***/kWh, DCW Limited), and computed the benefit on route-wise consumption norms (** kWh/MT for the carbide route; ** kWh/MT for the ethylene route) at an assumed Chinese price of RMB ***/kWh, over a CIF of USD ***/MT.

Examination by the Authority

45. A benchmark equal to the producer's own price or to Chinese regulated tariffs cannot measure the benefit conferred by those tariffs, and the Malaysian tariff relied on by the Wanhua group is not shown to reflect comparable market conditions; neither is adopted. Since electricity prices in China are determined by the Government and its agencies, and supply is predominantly by State-owned grid enterprises, there is no market-determined

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in-country price against which the adequacy of remuneration can be measured, and an out-of-country benchmark is required. The Authority has selected Thailand because (i) it is an Asian economy at a comparable stage of development; (ii) its electricity tariffs are determined by an independent regulator, the Energy Regulatory Commission, on a published cost basis, with the fuel adjustment charge (Ft) revised every four months, and the official tariff decisions for each month of the POI are on record; (iii) Thailand has a domestic PVC and chlor-alkali industry, so that its industrial tariffs reflect conditions faced by comparable users; and (iv) no interested party has placed on record a more appropriate benchmark. The Authority adopts the Thailand national average tariff for the POI of RMB 0.8836/kWh (excluding VAT), Thailand being the benchmark country also proposed by the domestic industry, and applies it to each producer's actual purchases rather than to assumed prices or consumption norms. The denominators are as set out in Section G.3 (items g and i). The resulting electricity benefit and rates are:

Group	kWh (million)	Price paid excl. VAT (RMB/kWh)	Benefit (RMB million)	Rate (%)
Qingdao Haiwan	***	***	***	5-10%
Tianjin Bohua	***	***	***	1-5%
Junzheng group	***	***	***	10-20%
Chiping Xinfu group	***	***	***	10-20%
Wanhua group	***	***	***	20-30%
Erdos	***	***	***	50-60%
Chlor-Alkali group	***	***	***	10-20%
Tianchen group	***	***	***	70-80%
Yihua	***	***	***	50-60%
Yibin Tianyuan group	***	***	***	20-30%

(b) Steam coal at less than adequate remuneration (programme iv)

Examination by the Authority

46. Coal purchases on record were examined at the benchmark of RMB ***/t (Section G.3, item e). The resulting rates are: Qingdao Haiwan 0-1% (on its own computation, covering its purchases from State-owned suppliers); Junzheng group 0-1%; and Yibin Haifeng Herui 1-5% (purchases from related companies). Tianchen, Yihua and Erdos buy coke/semi-coke or use group mines, Shaanxi Beiyuan buys carbide, and the ethylene-route groups reported no purchases of steam coal. Coal consumed by captive or related power plants is not countervailed separately, as the electricity supplied by them has already been compared with the electricity benchmark (Section G.3, item d). No calorific-value adjustment has been substantiated by any party.

(c) Land-use rights at less than adequate remuneration (programmes ii, iii, vi)

Examination by the Authority

47. Parcels acquired from government transferors were compared with the Thailand benchmark for the year of acquisition; parcels from private or related transferors and post-POI parcels were excluded. Rates (total company turnover; Qingdao Haiwan and Tianjin Bohua on their own computation and denominator): Qingdao Haiwan 0-1%; Tianjin Bohua 0-1%; Junzheng group 0-1%; Chiping Xinfu group 0-1%; Wanhua group 0-1%; Erdos 0-1% (four parcels granted to the parent and leased to the branch, taken pro rata to area); Chlor-Alkali group 0-1%; Yihua 0-1%; Yibin Haifeng Herui 0-1%; Tianchen

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group nil (parcels acquired from a related transferor, not countervailed at this stage). The domestic industry's alternative of THB 250/m² (CBRE Asia MarketView, 2010) or INR ***/m² (India) is not adopted, being dated or not comparable; the Authority agrees with the domestic industry that Thailand is an appropriate benchmark country, for the reasons recorded in Digital Offset Printing Plates.

(d) Water (programme i)**Examination by the Authority**

48. No benchmark for water has been placed on record by any party; the programme is not quantified at this stage.

(e) Caustic soda and chlorine (programmes vii, viii)**Examination by the Authority**

49. The responding producers are integrated chlor-alkali producers who self-produce chlorine and caustic soda; the Authority provisionally holds that no benefit arises.

(ii) Programmes (ix) to (xxxi): Tax and VAT incentives**a. Submission by the domestic industry**

50. The applicants alleged 23 tax programmes, including the additional deduction of R&D expenses, the reduced 15% rate for high and new technology enterprises (HNTE), the Western Region tax concession and tax credit for purchase of special equipment, and submitted that import-duty exemptions are countervailable absent a verified input-consumption system. In their additional submissions, the applicants computed income-tax and "additional VAT" benefits from the annual reports of the parent companies (e.g. Shanghai Chlor-Alkali 7.23%, Zhongtai 4.07%, Yibin Tianyuan 3.03%, Tianjin Bohai 2.84%, Erdos 2.52%, Wanhua 1.95%, Junzheng 1.23% of CIF for additional VAT).

b. Submission by the Government of China PR / other interested parties

51. The GOC submitted that none of the respondents used programmes (x)-(xxi), (xxv), (xxvii)-(xxix), (xxxi), and that the remaining programmes are generally available. The responding producers reported use of the R&D additional deduction (ix), the HNTE 15% rate (xxii), the Western Region 15% rate (xxiii), the special-equipment tax credit (xxvi) and dividend exemption (lxv); certain respondents reported no income-tax payable for tax year 2024.

c. Examination by the Authority

52. The tax concessions are a financial contribution in the form of government revenue foregone and confer a benefit equal to the tax saved. The HNTE 15% rate and the Western Region 15% rate are specific (de jure / regional); the R&D additional deduction and the special-equipment credit are provisionally held specific, the GOC not having furnished the eligibility criteria. Rates (on total company turnover; Qingdao Haiwan and Tianjin Bohua on their own denominator): HNTE - Tianjin Bohua 0-1%, Junzheng group 0-1%, Chiping Xinfu group 1-5%, Chlor-Alkali group 0-1%, Yibin Haifeng Herui 0-1%; R&D - Qingdao Haiwan 0-1%, Junzheng group 0-1%, Chiping Xinfu group 0-1%, Erdos 0-1%, Chlor-Alkali group 0-1%, Yibin Haifeng Herui 0-1%; special equipment - Qingdao

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Haiwan 0-1%, Junzheng group 0-1%, Chiping Xinfu group 0-1%, Chlor-Alkali group 0-1%; Western Region - Erdos 0-1%. VAT refunds / additional VAT credit reported by the respondents: Chiping Xinfu group 0-1%; Wanhua group 0-1%; Yibin Haifeng Herui 1-5%. Dividend exemption between resident enterprises avoids double taxation and is not countervailed.

53. The DI's parent-level figures are not adopted as such: they rest on consolidated revenue, tax and grants of parent companies rather than the respondents' own data. Whether the "additional VAT credit" claimed by the domestic industry falls within the programmes initiated will be examined further at the final stage.

(iii) Programmes (xxxii) to (xxxvii): Preferential loans and lending

a. Submission by the domestic industry

54. The applicants alleged policy lending by state-owned banks to the chemical industry, preferential loans to SOEs and interest allowances, and proposed the short-term lending rate of DCW Limited (***%) as benchmark, no Thai interest rate being available.

b. Submission by the Government of China PR / other interested parties

55. The GOC submitted that commercial banks are not public bodies and that the LPR is market-determined. Several respondents stated that their loans are at or above the PBOC benchmark/LPR; the respondents' own calculations used different benchmarks (e.g. the highest rate paid by the group, or the LPR).

c. Examination by the Authority

56. Lending to the responding producers is predominantly by state-owned commercial banks, policy banks and group finance companies; several groups (Junzheng, Wanhua Fujian, Yihua, Erdos, Tianjin Bohua) borrowed at a stated margin below the LPR, and Wanhua Fujian received a provincial interest subsidy (programme xxxv). At the benchmark of ***% the rates (total company turnover; Qingdao Haiwan and Tianjin Bohua on their own computation, i.e. (benchmark - rate) x loan amount, and their own denominator) are: Qingdao Haiwan 5-10%; Tianjin Bohua 5-10%; Junzheng group 1-5% plus bill discounting 0-1%; Chiping Xinfu group 0-1%; Wanhua group 1-5%; Erdos 0-1% (loans on-lent by a related company) plus bill discounting 0-1%; Chlor-Alkali group 1-5% (including loans from a group finance company); Yihua 1-5%; Yibin Haifeng Herui 1-5%; Tianchen group 1-5%.

(iv) Programmes (xxxviii) to (liv): Grants

a. Submission by the domestic industry

57. The applicants alleged grants including famous-brand awards, R&D assistance, export assistance, international market funds, special funds for key industries, treasury-bond grants and provincial/municipal grants. In their additional submissions, the applicants revised the grants of Tianjin Bohai Chemical Industry Group, the parent company of Tianjin Bohua, to include deferred grants.

NON-CONFIDENTIAL**b. Submission by the Government of China PR / other interested parties**

58. The GOC referred to the responses of the companies. The responding producers reported lists of grants received, including special funds for high-quality manufacturing development, ultra-long-term special treasury bond funds for equipment renewal, energy-saving and technology-renovation funds, employment stabilisation subsidies and export assistance grants.

c. Examination by the Authority

59. Grants are direct transfers of funds and confer a benefit equal to the amount received; grants related to assets received within the AUL of 10 years are allocated over the AUL (Section G.3, item a). In the absence of eligibility criteria from the GOC, the grants are provisionally held to be specific on the basis of facts available. The rates (on total company turnover; Qingdao Haiwan and Tianjin Bohua on their own denominator) are: Qingdao Haiwan 0-1% (including asset grants of RMB *** million within the AUL); Tianjin Bohua 0-1%; Junzheng group 0-1%; Chiping Xinfa group 0-1%; Wanhua group 0-1%; Erdos 0-1%; Chlor-Alkali group 0-1%; Tianchen group 0-1%; Yihua 0-1%; and Yibin Haifeng Herui 0-1%. For the Chlor-Alkali group, the asset grants of Shanghai Chlor-Alkali carried as deferred income (RMB *** million) and the POI income grants not included in its grant list (RMB *** million) have been taken from its audited accounts, on the basis of facts available. The SINOSURE premium refund received by Tianjin Bohua is contingent upon export performance and gives a rate of 0-1% (on its own denominator). The grant list of Erdos shows no grant received during a part of the period of the average useful life; the list will be reconciled with its audited accounts at the final stage. The applicants' revised figures for Tianjin Bohai Chemical Industry Group rest on the consolidated accounts of the parent company and, as in the case of the tax programmes, are not adopted as such; whether any grant received by the parent is attributable to Tianjin Bohua will be examined further at the final stage.

(v) Programmes (lv) to (lix): Export financing and export credit**a. Submission by the domestic industry**

60. The applicants alleged export seller's and buyer's credit from the Export-Import Bank of China, export credit insurance subsidies (SINOSURE) and credit guarantees.

b. Submission by the Government of China PR / other interested parties

61. The GOC denied use of these programmes by the respondents. The Junzheng group reported an Ex-Im Bank export seller's credit at a margin below the 1-year LPR; Wanhua Fujian and Yihua reported export credit insurance purchased from SINOSURE; Tianjin Bohua received a SINOSURE premium refund.

c. Examination by the Authority

62. Export seller's credit and premium refunds are contingent upon export performance and are specific. The benefit on the export seller's credit of the Junzheng group, at the benchmark of ***, is 1-5% of export turnover; the premium refund to Tianjin Bohua is treated as an export-contingent grant (above). The adequacy of SINOSURE premiums

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requires information on SINOSURE's long-term operating costs and losses, which the GOC has not furnished; it is not quantified at this stage.

(vi) Programmes (Ix) to (Ixx): Equity infusion and related programmes**a. Submission by the domestic industry**

63. The applicants alleged debt-for-equity swaps, equity infusions, unpaid dividends, debt forgiveness, deed-tax exemption and dividend exemption.

b. Submission by the Government of China PR / other interested parties

64. The GOC submitted that the deed-tax notice relied upon expired in 2017. Inner Mongolia Yihua reported a capital contribution by its parent during the AUL; the parent has a state-controlled shareholder.

c. Examination by the Authority

65. The deed-tax exemption is provisionally held not to have been used during the POI. Whether the capital contribution to Yihua was inconsistent with the usual investment practice of private investors requires an equityworthiness assessment; it has not been quantified at this stage. Dividend exemption (Ixx) - see tax programmes above.

(vii) Ethylene at less than adequate remuneration**c. Examination by the Authority**

66. The purchase data furnished by the responding producers on the ethylene route show that ethylene, the principal raw material on that route, was purchased both from domestic suppliers, which are State-owned or State-invested enterprises (Sinopec group companies, Tianjin Dagu International and the parent company of the Wanhua group), and from overseas suppliers. For certain domestic suppliers the prices paid were below the prices at which the same producers imported ethylene during the POI.
67. This practice was not specifically identified in the application; it came to light from the information furnished by the responding producers in the course of the investigation. The GOC has not furnished information on the ownership, pricing and role of the domestic ethylene suppliers (Section G.4). The Authority is informing the GOC of this practice and of its provisional examination, and is affording the GOC an opportunity for consultations and all interested parties an opportunity to comment. The matter will be examined further at the final stage in the light of the comments received.
68. On the information available, the Authority provisionally holds that the domestic suppliers concerned are public bodies or act on the direction of the GOC, for the reasons set out in Section G.4, and that the provision is specific to the industries using ethylene. As benchmark, the Authority adopts each producer's own weighted average import price of ethylene in the POI, being an actual price paid by the same producer for the same input (CFR, excluding VAT). For each domestic supplier, the benefit is the difference between that benchmark and the weighted price paid, multiplied by the quantity, where positive. The same rule is applied to every producer group with ethylene purchases on record; Tianjin Bohua itself used its import average as the benchmark in its own computation.

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Qingdao Haiwan has not reported its ethylene purchases; no benefit is determined for it at this stage, and it is required to furnish this information. The results are:

Group	Domestic supplier (as reported)	Tonnes (POI)	Price paid (RMB/t)	Producer's import price (RMB/t)	Benefit (RMB million)
Chlor-Alkali group (Shanghai Chlor-Alkali)	Shanghai SECCO Petrochemical Company Limited	***	***	***	***
Chlor-Alkali group (Shanghai Chlor-Alkali)	China Jinshan Associated Trading Corporation	***	***	***	nil
Chlor-Alkali group (Guangxi Huayi Chlor-Alkali)	Sinopec Chemical Sales Co., Ltd. East China Branch	***	***	***	***
Tianjin Bohua	Sinopec INEOS (Tianjin) Petrochemical Co., Ltd.	***	***	***	***
Tianjin Bohua	Tianjin Dagu International Co., Ltd.	***	***	***	nil
Tianjin Bohua	Tianjin BOHAI Chemical Industries IMP.& EXP. Corp.	***	***	***	nil
Wanhua group (Wanhua Chemical Group (Yantai) Olefins)	Wanhua Chemical Group Co., Ltd.	***	***	***	***
Wanhua group (Wanhua Chemical Group (Yantai) Olefins)	Wanhua Chemical (Yantai) Petrochemical Co., Ltd.	***	***	***	nil
Wanhua group (Wanhua Chemical Group (Yantai) Olefins)	Sinopec Chemical Sales Co., Ltd. East China Branch	***	***	***	nil
Wanhua group (Wanhua Chemical (Fujian))	Wanhua Chemical (Fujian) Gas Co., Ltd.	***	***	***	nil

69. The resulting rates are: Chlor-Alkali group 0-1%, Tianjin Bohua 0-1% (on its own denominator) and Wanhua group 0-1%.

G.6. Subsidy margins of the cooperating producer groups

70. On the above basis, and on the information submitted, subject to verification at the final stage, the subsidy margins of the cooperating producer groups (% ad valorem) are:

Qingdao Haiwan Chemical Co., Ltd.

Programme No.	Name of the programme	Brief description	Subsidy margin (% range)
(v)	Electricity at LTAR	Provision of goods (electricity) for less than adequate remuneration	5-10
(iv)	Steam coal at LTAR	Provision of goods (steam coal) for less than adequate remuneration	0-1
(ii), (iii), (vi)	Land-use rights at LTAR	Provision of land-use rights for less than adequate remuneration	0-1
(xxxii)-(xxxvii)	Preferential lending	Direct transfer of funds - loans from State-owned lenders below the benchmark rate	5-10
(xxxviii)-(liv)	Grants	Direct transfer of funds - grants expensed in the POI and asset grants over the AUL	0-1
(ix)	R&D additional deduction	Revenue foregone - additional deduction of R&D expenses	0-1
(xxvi)	Special-equipment tax credit	Revenue foregone - credit for purchase of special equipment	0-1
Total			10-20

NON-CONFIDENTIAL**Tianjin Bohua Chemical Development Co., Ltd.**

Programme No.	Name of the programme	Brief description	Subsidy margin (% range)
(v)	Electricity at LTAR	Provision of goods (electricity) for less than adequate remuneration	1-5
(ii), (iii), (vi)	Land-use rights at LTAR	Provision of land-use rights for less than adequate remuneration	0-1
(xxxii)-(xxxvii)	Preferential lending	Direct transfer of funds - loans from State-owned lenders below the benchmark rate	5-10
(xxxviii)-(liv)	Grants	Direct transfer of funds - grants expensed in the POI and asset grants over the AUL	0-1
(xxii)	HNTE 15% rate	Revenue foregone - income tax at 15% instead of 25%	0-1
(ix)	R&D additional deduction	Revenue foregone - additional deduction of R&D expenses	-
(xxxviii)-(liv)	Export-contingent grants (SINOSURE premium refund)	Export-contingent direct transfer of funds	0-1
G.5(vii)	Ethylene at LTAR	Provision of goods (ethylene) for less than adequate remuneration	0-1
Total			10-20

Junzheng group: Inner Mongolia Junzheng Chemical Industry Co., Ltd.; Ordos Junzheng Energy & Chemical Industry Co., Ltd.

Programme No.	Name of the programme	Brief description	Subsidy margin (% range)
(v)	Electricity at LTAR	Provision of goods (electricity) for less than adequate remuneration	10-20
(iv)	Steam coal at LTAR	Provision of goods (steam coal) for less than adequate remuneration	0-1
(ii), (iii), (vi)	Land-use rights at LTAR	Provision of land-use rights for less than adequate remuneration	0-1
(xxxii)-(xxxvii)	Preferential lending	Direct transfer of funds - loans from State-owned lenders below the benchmark rate	1-5
(xxxii)-(xxxvii)	Bill discounting	Direct transfer of funds - bills discounted below the benchmark rate	0-1
(lv)-(lix)	Export seller's credit	Export-contingent loan from the Export-Import Bank of China (on export turnover)	1-5
(xxxviii)-(liv)	Grants	Direct transfer of funds - grants expensed in the POI and asset grants over the AUL	0-1
(xxii)	HNTE 15% rate	Revenue foregone - income tax at 15% instead of 25%	0-1
(ix)	R&D additional deduction	Revenue foregone - additional deduction of R&D expenses	0-1
(xxvi)	Special-equipment tax credit	Revenue foregone - credit for purchase of special equipment	0-1
Total			10-20

NON-CONFIDENTIAL**Chiping Xinfu group: Chiping Xinfu Huaxing Chemical Co., Ltd.; Chiping Xinfu Polyvinyl Chloride Co., Ltd.**

Programme No.	Name of the programme	Brief description	Subsidy margin (% range)
(v)	Electricity at LTAR	Provision of goods (electricity) for less than adequate remuneration	10-20
(ii), (iii), (vi)	Land-use rights at LTAR	Provision of land-use rights for less than adequate remuneration	0-1
(xxxii)-(xxxvii)	Preferential lending	Direct transfer of funds - loans from State-owned lenders below the benchmark rate	0-1
(xxxviii)-(liv)	Grants	Direct transfer of funds - grants expensed in the POI and asset grants over the AUL	0-1
(ix)-(xxxi)	VAT refunds / additional VAT credit	Revenue foregone - VAT credited or refunded	0-1
(xxii)	HNTE 15% rate	Revenue foregone - income tax at 15% instead of 25%	1-5
(ix)	R&D additional deduction	Revenue foregone - additional deduction of R&D expenses	0-1
(xxvi)	Special-equipment tax credit	Revenue foregone - credit for purchase of special equipment	0-1
Total			10-20

Wanhua group: Wanhua Chemical (Fujian) Co., Ltd.; Wanhua Chemical Group (Yantai) Olefins Co., Ltd.

Programme No.	Name of the programme	Brief description	Subsidy margin (% range)
(v)	Electricity at LTAR	Provision of goods (electricity) for less than adequate remuneration	20-30
(ii), (iii), (vi)	Land-use rights at LTAR	Provision of land-use rights for less than adequate remuneration	0-1
(xxxii)-(xxxvii)	Preferential lending	Direct transfer of funds - loans from State-owned lenders below the benchmark rate	1-5
(xxxviii)-(liv)	Grants	Direct transfer of funds - grants expensed in the POI and asset grants over the AUL	0-1
(ix)-(xxxi)	VAT refunds / additional VAT credit	Revenue foregone - VAT credited or refunded	0-1
G.5(vii)	Ethylene at LTAR	Provision of goods (ethylene) for less than adequate remuneration	0-1
Total			30-40

Inner Mongolia Erdos Electric Power and Metallurgy Group Co., Ltd. (Chlor-Alkali Chemical Branch Company)

Programme No.	Name of the programme	Brief description	Subsidy margin (% range)
(v)	Electricity at LTAR	Provision of goods (electricity) for less than adequate remuneration	50-60
(ii), (iii), (vi)	Land-use rights at LTAR	Provision of land-use rights for less than adequate remuneration	0-1
(xxxii)-(xxxvii)	Preferential lending	Direct transfer of funds - loans from State-owned lenders below the benchmark rate	0-1

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Programme No.	Name of the programme	Brief description	Subsidy margin (% range)
(xxxii)-(xxxvii)	Bill discounting	Direct transfer of funds - bills discounted below the benchmark rate	0-1
(xxxviii)-(liv)	Grants	Direct transfer of funds - grants expensed in the POI and asset grants over the AUL	0-1
(ix)	R&D additional deduction	Revenue foregone - additional deduction of R&D expenses	0-1
(xxiii)	Western Region 15% rate	Revenue foregone - income tax at 15% in the Western Region	0-1
Total			50-60

Chlor-Alkali group: Guangxi Huayi Chlor-Alkali Chemical Co., Ltd.; Shanghai Chlor-Alkali Chemical Co., Ltd.

Programme No.	Name of the programme	Brief description	Subsidy margin (% range)
(v)	Electricity at LTAR	Provision of goods (electricity) for less than adequate remuneration	10-20
(ii), (iii), (vi)	Land-use rights at LTAR	Provision of land-use rights for less than adequate remuneration	0-1
(xxxii)-(xxxvii)	Preferential lending	Direct transfer of funds - loans from State-owned lenders below the benchmark rate	1-5
(xxxviii)-(liv)	Grants	Direct transfer of funds - grants expensed in the POI and asset grants over the AUL	0-1
(xxii)	HNTE 15% rate	Revenue foregone - income tax at 15% instead of 25%	0-1
(ix)	R&D additional deduction	Revenue foregone - additional deduction of R&D expenses	0-1
(xxvi)	Special-equipment tax credit	Revenue foregone - credit for purchase of special equipment	0-1
G.5(vii)	Ethylene at LTAR	Provision of goods (ethylene) for less than adequate remuneration	0-1
Total			10-20

Tianchen group: Tianchen Chemical Co., Ltd.

Programme No.	Name of the programme	Brief description	Subsidy margin (% range)
(v)	Electricity at LTAR	Provision of goods (electricity) for less than adequate remuneration	70-80
(xxxii)-(xxxvii)	Preferential lending	Direct transfer of funds - loans from State-owned lenders below the benchmark rate	1-5
(xxxviii)-(liv)	Grants	Direct transfer of funds - grants expensed in the POI and asset grants over the AUL	0-1
Total			70-80

Inner Mongolia Yihua Chemical Industry Co., Ltd.

Programme No.	Name of the programme	Brief description	Subsidy margin (% range)
(v)	Electricity at LTAR	Provision of goods (electricity) for less than adequate remuneration	50-60

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Programme No.	Name of the programme	Brief description	Subsidy margin (% range)
(ii), (iii), (vi)	Land-use rights at LTAR	Provision of land-use rights for less than adequate remuneration	0-1
(xxxii)-(xxxvii)	Preferential lending	Direct transfer of funds - loans from State-owned lenders below the benchmark rate	1-5
(xxxviii)-(liv)	Grants	Direct transfer of funds - grants expensed in the POI and asset grants over the AUL	0-1
Total			50-60

Yibin Tianyuan group: Yibin Haifeng Herui Co., Ltd.

Programme No.	Name of the programme	Brief description	Subsidy margin (% range)
(v)	Electricity at LTAR	Provision of goods (electricity) for less than adequate remuneration	20-30
(iv)	Steam coal at LTAR	Provision of goods (steam coal) for less than adequate remuneration	1-5
(ii), (iii), (vi)	Land-use rights at LTAR	Provision of land-use rights for less than adequate remuneration	0-1
(xxxii)-(xxxvii)	Preferential lending	Direct transfer of funds - loans from State-owned lenders below the benchmark rate	1-5
(xxxviii)-(liv)	Grants	Direct transfer of funds - grants expensed in the POI and asset grants over the AUL	0-1
(ix)-(xxxi)	VAT refunds / additional VAT credit	Revenue foregone - VAT credited or refunded	1-5
(xxii)	HNTE 15% rate	Revenue foregone - income tax at 15% instead of 25%	0-1
(ix)	R&D additional deduction	Revenue foregone - additional deduction of R&D expenses	0-1
Total			30-40

Summary of subsidy margins

Producer group	Route	Electricity	Coal	Land	Loans	Bill disc.	ESC *	Grants	VAT refunds	HNTE	R&D	Spec. equip.	Western Region	Export grants*	Ethylene	Subsidy margin (%)
Qingdao Haiwan	Ethylene	5-10	0-1	0-1	5-10	-	-	0-1	-	-	0-1	0-1	-	-	-	10-20
Tianjin Bohua	Ethylene	1-5	-	0-1	5-10	-	-	0-1	-	0-1	-	-	-	0-1	0-1	10-20
Junzheng group	Carbide	10-20	0-1	0-1	1-5	0-1	1-5	0-1	-	0-1	0-1	0-1	-	-	-	10-20
Chiping Xinfu group	Carbide	10-20	-	0-1	0-1	-	-	0-1	0-1	1-5	0-1	0-1	-	-	-	10-20
Wanhua group	Ethylene	20-30	-	0-1	1-5	-	-	0-1	0-1	-	-	-	-	-	0-1	30-40
Erdos	Carbide	50-60	-	0-1	0-1	0-1	-	0-1	-	-	0-1	-	0-1	-	-	50-60
Chlor-Alkali group	Ethylene	10-20	-	0-1	1-5	-	-	0-1	-	0-1	0-1	0-1	-	-	0-1	10-20
Tianchen group	Carbide	70-80	-	-	1-5	-	-	0-1	-	-	-	-	-	-	-	70-80
Yihua	Carbide	50-60	-	0-1	1-5	-	-	0-1	-	-	-	-	-	-	-	50-60
Yibin Tianyuan group	Carbide	20-30	1-5	0-1	1-5	-	-	0-1	1-5	0-1	0-1	-	-	-	-	30-40

* on total export turnover (Tianjin Bohua: on its own denominator). Ethylene: Section G.5(vii). Electricity of the Wanhua group and of the Guangxi Huayi / Shanghai Chlor-Alkali group is on PUC turnover; all programmes of Qingdao Haiwan and Tianjin Bohua are on their own denominator (Section G.3, item i)); all other programmes on total company turnover.

NON-CONFIDENTIAL**G.7. Producers, exporters and traders**

71. Duty is determined for the producer groups only; no separate rate is determined for traders. The producer group's rate applies to its goods whether exported directly or through any trader in China or in a third country; trader resale prices are used only to measure the CIF of the producer's goods. Goods of non-cooperating or unlisted producers, through any exporter, attract the residual duty.

G.8. Non-cooperating producers and rejected responses (residual)

72. For non-cooperating producers (including Zhejiang Jiahua Energy Chemical Industry Co., Ltd.), the producer groups whose responses are rejected and all other producers, the subsidy margin is determined on facts available as the sum of the highest rate found for each programme among the cooperating groups (rejected groups excluded): electricity 70-80% (Tianchen), coal 1-5% (Haifeng), land 0-1% (Yihua), loans 5-10% (Bohua), bill discounting 0-1% (Erdos), export seller's credit 1-5% (Junzheng), grants 0-1% (Bohua), VAT refunds 1-5% (Haifeng), HNTE 1-5% (Chiping), R&D 0-1% (Haifeng), special equipment 0-1% (Chlor-Alkali group), Western Region 0-1% (Erdos), export grants 0-1% (Bohua), ethylene 0-1% (Chlor-Alkali group) - total 90-100%.

Programme	Highest subsidy margin (% range)	Producer group
Electricity	70-80	Tianchen
Coal	1-5	Haifeng
Land	0-1	Yihua
Loans	5-10	Bohua
Bill discounting	0-1	Erdos
Export seller's credit	1-5	Junzheng
Grants	0-1	Bohua
VAT refunds	1-5	Haifeng
HNTE	1-5	Chiping
R&D	0-1	Haifeng
Special equipment	0-1	Chlor-Alkali group
Western Region	0-1	Erdos
Export grants	0-1	Bohua
Ethylene	0-1	Chlor-Alkali group
Residual subsidy margin	90-100	

H. INJURY ASSESSMENT AND CAUSAL LINK**H.1. Submissions by the domestic industry**

73. The domestic industry submitted that subject imports increased by 107% over the injury period while demand increased by 25%; that the share of subject imports in total imports rose from 35% to 51%; that subject imports undercut the domestic industry's prices (0-10%) and depressed them (selling price fell more than cost); that inventories more than doubled; and that the domestic industry suffered losses, cash losses and negative return on capital employed in the POI. It requested provisional and retrospective duties. It further submitted that the CIF price of subject imports is below its variable cost; that, as it was selling below cost even in the base year, price suppression and depression should be seen in relation to 2021-22, the last year in which it was profitable; that it incurred losses even

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before interest in the POI; and that its ability to raise capital investment has been adversely impacted.

H.2. Submissions by other interested parties

74. Sandeep Organics submitted that injury must be shown to be caused by the subsidised imports through the effects of the subsidies and that injury from other factors (non-subsidised imports, demand, consumption pattern, competition, technology, export performance, productivity) must not be attributed to them. The GOC submitted that downstream industries have expressed concern about supply and prices.
75. Other interested parties further submitted that:
- a) the import volumes have been overstated by the applicants and are inconsistent with the DGFT data for tariff item 3904 10 20;
 - b) the increase in imports is a consequence of the increase in demand and the demand-supply gap in India;
 - c) the decline in the selling price of the domestic industry is commensurate with the decline in its cost of sales, and there is no price suppression or depression;
 - d) the capacity, production and sales of the domestic industry have remained stable;
 - e) the profitability of the domestic industry has fluctuated; its PBIT and PBDIT were positive in 2024-25 even in the absence of anti-dumping duty, and the claim that imports were below its variable cost is inconsistent with such improvement;
 - f) the annual reports of DCM Shriram Limited and DCW Limited show profits before tax of INR 909 crores and INR 49.4 crores respectively in 2024-25, and the vinyl business of DCM Shriram Limited recorded a PBDIT of INR 116 crores against INR 29 crores in the previous year, due to lower energy and carbon material prices;
 - g) the application does not segregate the injury caused by imports from other countries, which are significant and at prices comparable to the subject imports;
 - h) imports from Indonesia, Japan and Thailand attract concessional customs duty, and a duty only on China PR will lead to an increase in imports from those countries; and
 - i) the Indian rupee has depreciated by about 10% after the POI, from about INR 87 to about INR 95.70 per USD, which has already provided protection to the domestic industry.

H.3. Examination by the Authority

76. The Authority has examined the injury to the domestic industry in accordance with the Rules, having regard to the volume of subsidised imports, their effect on prices in the domestic market for the like article, and the consequent impact on the domestic industry.
77. The submissions of the interested parties which have not been specifically addressed below have been addressed in the relevant parts of these findings.
78. As regards the submission that the depreciation of the Indian rupee after the POI has already provided protection to the domestic industry, the injury and causal link are

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required to be determined with reference to the POI. In any case, the post-POI exchange-rate movement affects imports from all sources as well as the cost of the imported inputs of the domestic industry, and does not eliminate the effect of subsidised imports.

I. Volume effect of subsidised imports and impact on the domestic industry**(i) Assessment of demand**

79. Demand or apparent consumption of the product in India has been defined as the sum of the domestic sales of the Indian producers and imports from all sources. The volume and value of imports have been determined on the basis of the transaction-wise import data of DGCI&S.

Particulars	UoM	2022-23	2023-24	2024-25	POI
Sales of domestic industry	Indexed	100	100	94	98
Sales of other domestic producers	Indexed	100	93	95	99
Imports from subject country	MT	7,95,569	9,40,504	14,21,132	15,23,004
Imports from other countries	MT	13,95,924	17,14,915	15,34,654	14,36,060
Demand (excluding captive)	MT	34,56,822	38,67,869	41,52,485	42,08,259
Trend	Index	100	112	120	122

80. Demand increased throughout the injury period, by 22% over the period as a whole.

(ii) Imports

Particulars	UoM	2022-23	2023-24	2024-25	POI
Subject imports - China PR	MT	7,95,569	9,40,504	14,21,132	15,23,004
Trend	Index	100	118	179	191
Imports - other countries	MT	13,95,924	17,14,915	15,34,654	14,36,060
Trend	Index	100	123	110	103
Total imports	MT	21,91,493	26,55,419	29,55,786	29,59,064
Trend	Index	100	121	135	135
Subject imports share in total imports	%	36	35	48	51
Subject imports in relation to demand	%	23	24	34	36
Subject imports in relation to Indian production of the DI	Indexed	100	120	180	195
Subject imports in relation to Indian production	Indexed	100	124	183	196

81. Subject imports increased in absolute terms by 91% over the injury period and in relation to demand and to the production of the domestic industry. Of the subject imports in the POI, the cooperating producer groups account for the export volumes shown in Section H.II(ii); the domestic industry's secondary data show about *** MT exported through traders. While the imports from the subject country increased consistently, the imports from other countries declined after 2023-24. The share of subject imports in total imports rose from 36% in the base year to 51% in the POI.
82. As regards the contention that the import data is overstated in comparison with DGFT data, the product under consideration is imported under several sub-headings of heading

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3904 and not only under 3904 10 20. The DGFT data at the 8-digit level is, therefore, not representative of the total imports of the product under consideration.

83. As regards the contention that the increase in imports is due to the demand-supply gap, demand increased by about 22% over the injury period, whereas the subject imports increased by about 91%, far in excess of the increase in demand. The market share of the subject imports increased from 23% to 36%; while the subject imports increased continuously over the injury period, imports from third countries declined significantly after 2023-24. The adverse effect of the subsidised imports is also visible in the price parameters of the domestic industry.

(iii) Market share

Particulars	UoM	2022-23	2023-24	2024-25	POI
Market share of DI in demand	Indexed	100	89	78	81
Market share of other Indian producers	Indexed	100	84	79	81
Market share of subject imports	%	23.0	24.3	34.2	36.2
Market share of other imports	%	40.4	44.3	37.0	34.1

84. The share of the domestic industry, and of the Indian industry as a whole, declined over the injury period, as did the share of imports from other countries after 2023-24. The share of subject imports in demand increased significantly from 23% in the base year to 36% in the POI; the subject imports have taken over the market share of the Indian industry as well as of the imports from other countries.

II. Price effect of subsidised imports**(i) Price undercutting**

Particulars	UoM	2022-23	2023-24	2024-25	POI
Landed price of subject imports	INR/MT	99,225	73,064	70,770	65,592
Trend	Index	100	74	71	66
Selling price of the DI (indexed)	Index	100	80	81	75
Price undercutting	%	-	-	-	0-10%

85. For the purpose of price undercutting, the selling price of the domestic industry has been compared with the landed value of imports from the subject country in the POI:

Particulars	Unit	POI
Selling price	INR/MT	***
Landed price	INR/MT	65,592
Price undercutting	INR/MT	***
Price undercutting	%	***
Price undercutting	Range	0-10%

86. The subject imports are undercutting the prices of the domestic industry, and the undercutting is positive and significant. Even though the domestic industry has been selling at a loss in the POI, the landed price of the subject imports is below its selling price.

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87. The landed price of subject imports declined by about 34% over the injury period. Price undercutting during the POI was positive (in the range of 0-10%). The domestic industry's selling price declined by 25% against a 22% decline in its cost of sales, indicating price depression. The landed values of every cooperating producer group (USD ***/MT) are below the NIP of USD ***/MT.

(ii) Price underselling / injury margin

Particulars	UoM	2022-23	2023-24	2024-25	POI
Price underselling (NIP - landed value)	USD/MT	-	-	-	*** (Section H.II(ii))

88. The non-injurious price (NIP) of the domestic industry has been provisionally taken as INR ***/MT (USD ***/MT at INR 86.76/USD), subject to verification of the domestic industry's costs. The landed value is the CIF to India x 1.0825 (basic customs duty 7.5% and social welfare surcharge at 10% of BCD). Where a producer reported FOB sales, USD ***/MT (actual freight and insurance on Inner Mongolia Yihua's CIF shipments) has been added; for Tianchen, the CIF is the weighted CIF of the export invoices of Chongqing Chuandong Chemical (Group) Co., Ltd. linked by it to its purchases from Xinjiang Tianye Foreign Trade Co., Ltd., corresponding to the quantity supplied (USD ***/MT). The export prices (CIF) of the producer groups are taken on the basis of the information submitted, subject to verification at the final stage.

Producer group	Qty to India (MT)	CIF (USD/M T)	Landed value (USD/M T)	NIP (USD/M T)	Injury margin (USD/M T)	Injury margin (% of LV, range)	Subsidy margin (% range)	Subsidy margin (USD/M T)	Lower of the two
Qingdao Haiwan	***	***	***	***	***	10-20%	10-20%	***	Subsidy margin
Tianjin Bohua	***	***	***	***	***	10-20%	10-20%	***	Injury margin
Junzheng group	***	***	***	***	***	20-30%	10-20%	***	Subsidy margin
Chiping Xinfu group	***	***	***	***	***	10-20%	10-20%	***	Injury margin
Wanhua group	***	***	***	***	***	10-20%	30-40%	***	Injury margin
Erdos	***	***	***	***	***	10-20%	50-60%	***	Injury margin
Chlor-Alkali group	***	***	***	***	***	10-20%	10-20%	***	Subsidy margin
Tianchen group	***	***	***	***	***	10-20%	70-80%	***	Injury margin
Yihua	***	***	***	***	***	10-20%	50-60%	***	Injury margin
Yibin Tianyuan group	***	***	***	***	***	10-20%	30-40%	***	Injury margin
Residual	-	-	-	***	***	20-30%	90-100%	***	Injury margin (highest cooperating)

(iii) Price suppression and depression

Particulars	UoM	2022-23	2023-24	2024-25	POI
Cost of sales	INR/MT	***	***	***	***
Cost of sales of the DI (indexed)	Index	100	83	82	78
Selling price	INR/MT	***	***	***	***
Selling price of the DI (indexed)	Index	100	80	81	75
Landed price	INR/MT	99,225	73,064	70,770	65,592

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Particulars	UoM	2022-23	2023-24	2024-25	POI
Landed price (indexed)	Index	100	74	71	66

89. The cost of sales and the selling price of the domestic industry declined over the injury period. However, while the cost of sales declined by 22%, the selling price declined by 25%, in line with the 34% decline in the landed price of the subject imports. The domestic industry has been selling below its cost of sales throughout the injury period and has not been able to increase its prices to the extent of its cost. The Authority provisionally holds that the subject imports have depressed the prices of the domestic industry.
90. The domestic industry has further submitted that, since 2023-24, the CIF price of the subject imports has been below its variable cost:

Particulars	Unit	2022-23	2023-24	2024-25	POI
CIF price - China PR	INR/MT	91,757	67,226	65,503	60,390
Variable cost	INR/MT	***	***	***	***
Difference	INR/MT	***	***	***	***
Difference	%	***	***	***	***

III. Economic parameters relating to the domestic industry

91. Annexure II to the Rules requires that the examination of the impact of the subsidised imports on the domestic industry 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 utilisation of capacity; factors affecting domestic prices; the magnitude of the margin of subsidy; and actual and potential negative effects on cash flow, inventories, employment, wages, growth and ability to raise capital investments. These parameters have been examined below.

(i) Production, capacity, capacity utilisation and sales

Particulars	UoM	2022-23	2023-24	2024-25	POI
Installed capacity	MT	***	***	***	***
Trend	Index	100	102	102	102
Production	MT	***	***	***	***
Trend	Index	100	98	99	98
Capacity utilisation	%	***	***	***	***
Trend	Index	100	97	98	97
Domestic sales	MT	***	***	***	***
Trend	Index	100	100	94	98

92. The capacity of the domestic industry increased marginally, while its production, capacity utilisation and domestic sales declined marginally over the injury period. The domestic industry has submitted that, owing to the nature of the production process and the long-term arrangements for the supply and shipment of VCM, production cannot easily be stopped or slowed down, and that it has maintained volumes by compromising on profitability. The injury to the domestic industry is thus primarily reflected in its price and profitability parameters.

NON-CONFIDENTIAL**(ii) Profitability, return on investment and cash profits**

Particulars	UoM	2022-23	2023-24	2024-25	POI
Cost of sales	Indexed	100	83	82	78
Selling price	Indexed	100	80	81	75
Profit/(loss) before tax	INR/MT	***	***	***	***
Profit before tax per MT (indexed)	Index	-100	-468	-227	-560
Profit/(loss) before tax	INR lakh	***	***	***	***
Cash profit/(loss)	INR lakh	***	***	***	***
Cash profit (indexed)	Index	100	-273	-5	-315
Return on capital employed	%	***	***	***	***
Return on capital employed (indexed)	Index	100	-67	39	-162

93. It is seen that:

- the domestic industry incurred losses throughout the injury period; the losses per unit increased by about 460% and were the highest in the POI;
- the domestic industry suffered cumulative losses of more than INR *** crores over the injury period, equal to about ***% of its average capital employed;
- the domestic industry earned cash profits in 2022-23 but incurred cash losses from 2023-24, the cash losses being the highest in the POI; and
- the return on capital employed declined over the injury period and was negative in the POI.

94. The domestic industry incurred losses even at the level of profit before interest and tax in the POI and is, thus, unable to bear even its interest cost.

Particulars	Unit	2022-23	2023-24	2024-25	POI
PBIT	INR/MT	***	***	***	***
Trend	Index	100	-55	28	-105

95. As regards the contention that profitability fluctuated and improved in 2024-25, the domestic industry incurred losses at the profit before tax level throughout the injury period. The improvement at the PBIT level in 2024-25 was not sustained, and the domestic industry suffered its steepest losses in the POI, with losses even at the PBIT and PBDIT levels. The overall trend shows a significant deterioration over the injury period.

96. As regards the reliance on the company-level annual reports of the applicants, the injury analysis is required to be carried out with reference to the performance of the domestic industry in respect of the like article. The company-level profits include the results of other businesses, and the vinyl segment of DCM Shriram Limited includes products other than the like article; these cannot be used to negate the injury established on the basis of product-specific data.

(iii) Employment, wages and productivity

Particulars	UoM	2022-23	2023-24	2024-25	POI
No. of employees	Nos.	***	***	***	***
Employees (indexed)	Index	100	101	105	101
Wages	INR lakh	***	***	***	***

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Particulars	UoM	2022-23	2023-24	2024-25	POI
Trend	Index	100	107	135	140
Production per day	MT	***	***	***	***
Trend	Index	100	98	99	98
Production per employee	MT/No.	***	***	***	***
Trend	Index	100	97	95	97

97. The number of employees remained almost constant over the injury period while wages increased; production per day declined marginally with the decline in production. The domestic industry has submitted that employment and wages depend on the overall operations of the company and legislative requirements. No injury is found on these parameters.

(iv) Inventories

Particulars	UoM	2022-23	2023-24	2024-25	POI
Opening inventory	MT	***	***	***	***
Closing inventory	MT	***	***	***	***
Average inventory	MT	***	***	***	***
Trend	Index	100	77	193	219

98. The average inventories of the domestic industry more than doubled over the injury period, although its production declined marginally, showing that the domestic industry has been unable to sell its product in the domestic market despite selling at prices below its cost of sales.

(v) Growth and ability to raise capital

Particulars	Unit	2022-23	2023-24	2024-25	POI
Capacity	%	-	2%	0%	0%
Production	%	-	-2%	1%	-1%
Domestic sales	%	-	-0.2%	-6%	4%
Profit/(loss) before tax	%	-	-367%	54%	-158%
Cash profit	%	-	-373%	98%	-5814%
Return on capital employed	%	-	-167%	158%	-519%

99. The production and capacity utilisation of the domestic industry remained broadly stable, while its market share declined as subject imports gained about 14 percentage points. Inventories more than doubled. The domestic industry incurred losses throughout the injury period, with the steepest losses, cash losses and negative return on capital employed in the POI.
100. The growth of the domestic industry in volume parameters remained stable, whereas the growth in price parameters - profits, cash profits and return on capital employed - was negative in 2023-24, positive in 2024-25 and again significantly negative in the POI. As the domestic industry has incurred financial losses throughout the injury period and cash losses in the POI, its ability to raise capital investment has been adversely impacted.
101. Factors affecting domestic prices: the price of the subject imports is lower than the selling price and the cost of sales of the domestic industry, and their landed price is below the non-injurious price, which has forced the domestic industry to sell below cost, resulting in

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financial and cash losses. The prices of imports from other countries were higher than those from China PR, and the difference increased over the injury period. The Authority provisionally concludes that the price of the subject imports has adversely impacted the prices of the domestic industry.

(vi) Magnitude of subsidy margin

102. The subsidy margins of the cooperating producer groups range from 10-20% to 70-80% and the residual margin is 90-100%, all above de minimis (Section G.6). The impact on the domestic industry of the magnitude of the subsidy margin cannot be considered negligible.

(vii) Conclusion on injury

103. In view of the above, the Authority provisionally concludes that:

- a) imports of the subject goods from the subject country have increased in absolute terms and in relation to production and consumption in India, at a pace far higher than the increase in demand;
- b) the imports from the subject country are undercutting the prices of the domestic industry even when the domestic industry has sold the subject goods at a loss;
- c) the domestic industry has been forced to reduce its selling price by more than the decline in its cost of sales, so that the subject imports have depressed its prices;
- d) the market share of the domestic industry, and of the Indian industry as a whole, has declined while that of the subject imports has increased;
- e) the inventories of the domestic industry have more than doubled, and it has maintained its volume parameters only by compromising on profitability;
- f) the domestic industry has incurred losses throughout the injury period, which increased significantly in the POI, together with cash losses and losses at the PBIT level in the POI; and
- g) the return on capital employed of the domestic industry has turned negative, and its ability to raise capital investment has been adversely impacted.

IV. Causal link and non-attribution

104. The Authority is required to examine any known factors other than the subsidised imports which at the same time are injuring the domestic industry, so that the injury caused by those factors is not attributed to the subsidised imports. These include the volume and prices of imports not sold at subsidised prices, contraction in demand or changes in the pattern of consumption, trade-restrictive practices of and competition between the foreign and domestic producers, developments in technology, and the export performance and productivity of the domestic industry.

a. Imports from other countries

105. Non-subject imports declined from 2023-24 to the POI and their CIF price (INR 67,218/MT in the POI) was above that of subject imports (INR 60,593/MT). Imports from Japan, Taiwan, Korea, Indonesia, USA and Thailand individually exceeded de minimis.

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The domestic industry has submitted that the landed prices of imports from other countries are driven by the landed price from China PR; as the subject goods are a commodity product, producers in India and exporters from other countries have been forced to reduce their prices to compete with the prices from China PR. The import prices from the various sources are as follows:

Country	Unit	2022-23	2023-24	2024-25	POI
China PR	INR/MT	91,663	67,496	65,376	60,593
Japan	INR/MT	98,871	73,852	73,201	69,615
Taiwan	INR/MT	89,326	69,443	71,483	67,004
USA	INR/MT	70,594	66,164	67,136	65,725
Korea RP	INR/MT	87,980	68,465	69,315	66,614
Thailand	INR/MT	88,334	71,694	70,753	64,502
Indonesia	INR/MT	89,334	68,964	68,143	64,348
Other countries	INR/MT	76,995	69,036	69,991	66,949
Total imports	INR/MT	89,290	69,122	68,078	63,808
Countries other than China PR	INR/MT	87,938	70,014	70,579	67,218
Difference: China PR less others	INR/MT	3,725	-2,518	-5,203	-6,625

106. The import price from China PR declined continuously over the injury period. While it was above the price of imports from other countries in 2022-23, it has been below them since, and the gap has widened; the subject imports were the lowest-priced imports in the POI. With the decline in their price, the market share of the subject imports increased while that of other countries declined. As the subject goods are a commodity product, the domestic industry competes with the lowest-priced imports into the country.

b. Contraction in demand

107. Demand grew by 22%; no contraction. The injury to the domestic industry is provisionally held not to be due to contraction in demand.

c. Changes in pattern of consumption

108. None reported. There has been no material change in the pattern of consumption of the product under consideration.

d. Trade-restrictive practices / competition

109. None reported. The BCD exemption of 02.04.2026-30.06.2026 is outside the POI. There are no trade-restrictive practices which could have caused injury to the domestic industry.

e. Developments in technology

110. None reported; both ethylene and carbide routes are long established. There has been no change in technology for the production of the subject goods which could have caused injury to the domestic industry.

f. Export performance

111. Exports of the DI were negligible. The injury information examined relates only to the performance of the domestic industry in the domestic market; the injury cannot be attributed to its export performance.

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112. Production per day declined marginally with production. The decline in production per day cannot be a reason for the injury suffered by the domestic industry.

h. Input costs / DI's own performance

113. Cost of sales declined by 22% while the selling price declined by 25%; the decline in the selling price exceeded that in costs, and the losses of the domestic industry are not attributable to the cost of raw materials, including imported VCM.

i. Purchases by the DI from subject producers

114. Erdos sold the product under consideration to one of the applicants during the POI. Its effect on standing and injury will be examined further at the final stage.

j. Other domestic producers

115. Finolex Industries Limited and Reliance Industries Limited (60-70% of Indian production) also import the subject goods; their performance is not part of the injury analysis of the domestic industry.

k. Existing anti-dumping duty

116. None in force - the AD final findings of 14.08.2025 were not given effect; no effect to attribute.

l. Performance of other products

117. The Authority has examined data relating only to the performance of the subject goods. The performance of other products produced and sold by the applicants is, therefore, not a possible reason for the injury to the domestic industry.

V. Conclusion on causal link

118. While the factors examined above show that the injury to the domestic industry is not due to other known factors, the following show that it is due to the subsidised imports from the subject country:
- a) the subject imports increased in absolute and relative terms over the injury period, at a pace higher than the increase in demand in India;
 - b) while the domestic industry has been selling below its cost of sales, the subject imports have continued to undercut its prices;
 - c) the landed price of the subject imports declined significantly over the injury period, forcing the domestic industry to reduce its prices by more than the decline in its cost of sales;
 - d) the domestic industry maintained its production, domestic sales and capacity utilisation only by compromising on profitability, and its inventories increased significantly despite sales at a loss;

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- e) the domestic industry incurred financial losses throughout the injury period, the highest in the POI; its cumulative losses are significant in relation to its average capital employed, and it incurred cash losses in the POI; and
 - f) the return on capital employed became negative and was the lowest in the POI, and the ability of the domestic industry to raise capital investment has been adversely impacted.
119. On the information presently on record, the Authority provisionally finds that the domestic industry has suffered material injury, that there is a causal link between the subsidised imports and the injury, and that the other known factors examined do not break this causal link. This conclusion is subject to verification of the domestic industry's data.

I. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES**I.1. Submissions by other interested parties**

- a) The domestic industry has enjoyed protection from imports for a prolonged period. Trade remedies are temporary measures, and an anti-subsidy duty following fourteen years of anti-dumping duty would result in perpetual protection.
- b) There is a significant demand-supply gap in India, and imports are necessary to fulfil it.
- c) Imports from Indonesia, Japan and Thailand enjoy concessional customs duty under free trade agreements; a duty only on imports from China PR will merely divert imports to other countries without benefiting the domestic industry.

I.2. Submissions by the domestic industry

- a) There has been no adverse impact of anti-dumping duty in the past, and there will be none of the countervailing duty; its impact is less than 0.1% and, being minimal, is likely to be absorbed by the downstream industry and not passed on to the users.
- b) Fair prices will be maintained as there is enough inter se competition in India; the duty does not restrict imports, and as the subject goods are not sold under long-term contracts, users can easily switch suppliers.
- c) There are global overcapacities and abundant supply of the product, and the subject goods are being exported to India at subsidised prices.

I.3. Examination by the Authority

120. The Authority notes that the purpose of countervailing duty, in general, is to eliminate the injury caused to the domestic industry by subsidised imports, 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 imposition of countervailing duty does not restrict imports from the subject country; consumers and users would continue to have access to the product from the subject country and from other sources at fair prices.

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121. As regards the demand-supply gap, its existence is not a ground for permitting subsidised imports at prices which cause material injury to the domestic industry. Significant imports of the product are from non-Chinese sources: 95% of the imports were from other sources in 2020-21, and 64% in 2022-23. The Authority has in the past recommended duties on a number of products where there was a demand-supply gap in India. The duty is not intended to restrict imports but to restore a level playing field, which is likely to encourage capacity expansion; with the losses of the domestic industry increasing, no industry would be willing to invest in capacity expansion in the present market.
122. As regards the contention that the domestic industry has already enjoyed prolonged protection, the anti-dumping duty on imports from China PR expired in 2022, and no measure was in force on imports of the subject goods from the subject country during the POI. The present investigation concerns a distinct unfair trade practice, namely subsidisation, and the duty, if imposed, would be for a limited duration and subject to review. The information on record shows that the domestic industry has suffered financial losses and a material deterioration in profits, cash profits and return on investment over the injury period.
123. As regards the possible diversion of imports to other countries, the purpose of countervailing duty is to offset the subsidies on imports from the subject country, not to restrict imports. Imports from other countries are made at higher prices than the subject imports, and a shift to fairly priced sources would ensure fair competition in the Indian market. Users will continue to have access to the subject goods from multiple sources, including the subject country, at fair prices.
124. The applicants have submitted that the demand-supply gap in India is expected to narrow as new capacity is added. As the landed price of the subject imports is below the cost of sales of the domestic industry, the market situation is not conducive to such investment, and the imposition of countervailing duty is necessary to establish a fair market situation in India.
125. Apart from the general submission of the GOC on downstream supply and prices, no user or consumer has placed on record information quantifying the likely impact of the duty. Interested parties may furnish their comments on public interest, including the likely impact of the duty on downstream users, which the Authority will examine at the final stage.

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126. The Authority provisionally concludes, on the basis of the information available at this stage and subject to verification at the final stage, that (a) the product under consideration has been exported to India from the subject country at subsidised prices; (b) the domestic industry has suffered material injury; and (c) the material injury has been caused by the subsidised imports.
127. The Authority notes that the investigation was duly initiated after consultations with the Government of China PR, and that the Government of China PR, the producers/exporters and the other interested parties were notified and given adequate opportunity to furnish positive information on the aspects of subsidisation, injury and causal link. Having initiated and conducted the investigation into subsidisation, injury and causal link in terms of the CVD Rules, and having recorded the present preliminary findings in terms of Rule 14 thereof, the Authority is of the view that the imposition of provisional countervailing duty is required to offset the subsidisation and the injury caused thereby to the domestic industry, pending completion of the investigation. Therefore, the Authority considers it necessary and recommends the imposition of provisional countervailing duty in terms of Rule 15 of the CVD Rules read with Section 9(2) of the Act on imports of the subject goods originating in or exported from the subject country.
128. Having regard to the provisional findings above, the Authority considers it necessary to recommend imposition of provisional countervailing duty to prevent injury being caused during the investigation. Applying the lesser duty rule, the provisional countervailing duty recommended is the lower of the subsidy margin and the injury margin for each producer group. No group's subsidy margin is below the de minimis level of 1% ad valorem. The Authority recommends imposition of provisional countervailing duty on imports of the subject goods originating in or exported from the subject country, equal to the amount indicated in column (7) of the duty table below, in the currency and per unit of measurement indicated in columns (9) and (8) respectively, for such period as the Central Government may determine in accordance with the Act and the Rules.

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DUTY TABLE

S. No.	Heading/ Subheading*	Description of goods	Country of origin	Country of export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	3904	PVC Suspension Resin**	China PR	Any country including China PR	Qingdao Haiwan Chemical Co., Ltd.	86.75	MT	USD
2	-do-	-do-	China PR	Any country including China PR	Tianjin Bohua Chemical Development Co., Ltd.	90.73	MT	USD
3	-do-	-do-	China PR	Any country including China PR	Inner Mongolia Junzheng Chemical Industry Co., Ltd.; Ordos Junzheng Energy & Chemical Industry Co., Ltd.	99.06	MT	USD
4	-do-	-do-	China PR	Any country including China PR	Chiping Xinfu Huaxing Chemical Co., Ltd.; Chiping Xinfu Polyvinyl Chloride Co., Ltd.	106.46	MT	USD
5	-do-	-do-	China PR	Any country including China PR	Wanhua Chemical (Fujian) Co., Ltd.; Wanhua Chemical Group (Yantai) Olefins Co., Ltd.	99.95	MT	USD
6	-do-	-do-	China PR	Any country including China PR	Inner Mongolia Erdos Electric Power and Metallurgy Group Co., Ltd. Chlor-Alkali Chemical Branch Company	135.55	MT	USD
7	-do-	-do-	China PR	Any country including China PR	Guangxi Huayi Chlor-Alkali Chemical Co., Ltd.; Shanghai Chlor-Alkali Chemical Co., Ltd.	90.55	MT	USD
8	-do-	-do-	China PR	Any country including China PR	Tianchen Chemical Co., Ltd.	89.81	MT	USD
9	-do-	-do-	China PR	Any country including China PR	Inner Mongolia Yihua Chemical Industry Co., Ltd.	136.25	MT	USD
10	-do-	-do-	China PR	Any country including China PR	Yibin Haifeng Herui Co., Ltd.	83.72	MT	USD
11	-do-	-do-	China PR	Any	Any producer other than S. No. 1 to 10	143.82	MT	USD
12	-do-	-do-	Any country other than China PR	China PR	Any	143.82	MT	USD

* The Customs classification is only indicative and is not binding on the scope of the product under consideration.

** As described in Section C.

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

"I, the undersigned, certify that the (volume) of PVC Suspension Resin sold for export to India covered by this invoice was manufactured by (name and address of producer) in China PR. I declare that the information provided in this invoice is complete and correct."

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

129. The applicants have also requested retrospective imposition of countervailing duty. The Authority will examine this request at the final stage.

K. FURTHER PROCEDURE

The procedure as mentioned below would be followed subsequent to notifying the preliminary findings:

- a) The Authority invites comments on these preliminary findings from all interested parties within twenty days from the date of their publication, and the same, to the extent considered relevant by the Authority, would be considered in the final findings.
- b) The Authority would conduct an oral hearing in terms of Rule 7(6) of the Rules to provide an opportunity to the interested parties to present their views relevant to the subject investigation.
- c) The date of the oral hearing will be published on the DGTR website (<https://www.dgtr.gov.in>).
- d) The Authority would conduct further verification of the interested parties as deemed necessary.
- e) The Authority would disclose the essential facts as per the Rules before issuing the final findings in the subject investigation.

**Digitally signed by
Amitabh Kumar
Date: 26-10-2026
15:21:32**

**(Amitabh Kumar)
Designated Authority**