



**CASE No. CVD(OI) – 03/2024**

**Government of India  
Department of Commerce  
Ministry of Commerce & Industry  
Directorate General of Trade Remedies**

**FINAL FINDINGS**

**Countervailing duty investigation concerning imports of “Calcium Carbonate Filler Masterbatch” originating in or exported from Vietnam.**



***Pictographic presentation of Calcium Carbonate Filler Masterbatch***

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**F. No. 6/39/2024 - DGTR  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Trade Remedies  
4<sup>th</sup> Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001**

**Dated: 24.06.2026**

**FINAL FINDINGS  
Case No. – CVD(OI) – 03/2024**

**Subject: Countervailing duty investigation concerning imports of “Calcium Carbonate Filler Masterbatch” originating in or exported from Vietnam.**

**A. BACKGROUND OF THE CASE**

Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as “the Act”) and the Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred as the “CVD Rules” or “the Rules”);

1. Compounds and Masterbatch Manufacturers Association of India (hereinafter referred to as “CMMAI”) and Masterbatch Manufacturers Association (hereinafter referred to as “MMA”) (hereinafter collectively referred to as the “petitioners” or “applicants”) on behalf of the domestic producers in India filed an application, before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with the Act and the CVD Rules for initiation of a countervailing duty investigation concerning imports of Calcium Carbonate Filler Masterbatch (hereinafter also referred to as the “product under consideration” or the “subject goods” or “PUC”) originating in or exported from Vietnam (hereinafter also referred to as the “subject country”).
2. The domestic industry in the present case is fragmented and consists of a large number of domestic producers located across India, hence the application for countervailing duty investigation was filed by two associations, namely CMMAI and MMA on behalf of their member entities. All the relevant information in the prescribed format as required under Trade Notice No. 09/2021 dated 29th July 2021 as amended vide Trade Notice No. 11/2021 dated 18th November 2021 (collectively, “Trade Notice 9/2021”) was provided.
3. The following twelve (12) applicant domestic producers (hereinafter referred to as the “applicants”) of subject goods filed the required information as per Annexure-I to Trade Notice 9/2021 for fragmented industries:
  - i. Kandui Industries Private Limited
  - ii. Sonali Polyplast Private Limited
  - iii. Blend Colors Private Limited
  - iv. Bajaj Masterbatches Private Limited
  - v. Bajaj Superpack India Limited

- vi. Bajaj Plast Private Limited
- vii. Bajaj Polyblends Private Limited
- viii. Siddh Chemiplast Private Limited
- ix. Shri Ambica Polyfill
- x. Soltex Petro Products Limited
- xi. Alok Industries
- xii. Alok Masterbatches Private Limited

4. Further, the following twenty-one (21) domestic producers supported the application and provided the required data in the prescribed format:

- i. Sonali Polymers Pvt. Ltd.
- ii. Masterplast India Pvt. Ltd.
- iii. Sri Maniram Synthetics Pvt. Ltd.
- iv. S.P. Polymer
- v. 365 Plastium Pvt. Ltd.
- vi. N.P. Agro (India) Industries Pvt. Ltd.
- vii. Satya Polyalloys LLP
- viii. Adex Ployblend Pvt. Ltd.
- ix. Rama Vyapaar Pvt. Ltd.
- x. Bhagyashree Colors Pvt. Ltd.
- xi. Swastik Plastoalloys
- xii. Manan Polymers Pvt. Ltd.
- xiii. Aditya Polyspin Pvt. Ltd.
- xiv. J K Paras Ploycoats Ltd.
- xv. Speciality Masterbatches LLP
- xvi. Sachdeva Polycolor Pvt. Ltd.
- xvii. Everplus Plastics Pvt. Ltd.
- xviii. Manhar Polymers Pvt. Ltd.
- xix. Dolphin Polyfill
- xx. JJ Plastalloy
- xxi. Prabhu Polycolor

5. In view of the duly substantiated application filed by the petitioners, the Authority issued a public notice *vide* Notification F. No. 6/39/2024-DGTR, dated 27<sup>th</sup> December 2024, published in the Gazette of India, initiating countervailing duty investigation into imports of the product under consideration from the subject country in accordance with Rule 6 of the CVD Rules to determine the existence, degree and effect of any alleged subsidization of the subject goods and to recommend the amount of countervailing duty, which, if levied, would be adequate to remove the alleged injury to the domestic industry.

## **B. PROCEDURE**

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

- i. The Authority notified the Embassy of the subject country in India about the receipt of the present countervailing duty application before proceeding to initiate the investigation in accordance with Rule 6 of the CVD Rules.
- ii. The Authority invited the Government of Vietnam for consultation with the aim of clarifying the situation and arriving at a mutually agreed solution in accordance with

Article 13 of the Agreement on Subsidies and Countervailing Measures. The consultations were held on 03.12.2024 with the Government of Vietnam, through video conferencing. The consultations were attended by the representatives of the Government of Vietnam.

- iii. The Authority issued a public notice dated 27<sup>th</sup> December 2024, published in the Gazette of India, Extraordinary, initiating countervailing duty investigation concerning imports of subject goods from the subject country.
- iv. The Authority sent a copy of the initiation notification to the Government of the subject country, through its Embassy in India, known producers and exporters from the subject country, known importers / users as well as other interested parties, as per the addresses made available by the petitioner and requested them to make their views known in writing within the prescribed time limit.
- v. The Authority also provided a copy of the non-confidential version of the application to the known producers/exporters and to the Government of the subject country, through their Embassy in India, in accordance with Rule 7(3) of the CVD Rules. A copy of the non-confidential version of the application was made available to other interested parties, wherever requested. Further, the non-confidential version of the application was also uploaded on the website of the Authority.
- vi. The embassy of the subject country in India was requested to advise the exporters/producers to submit their responses to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the known producers/exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject country.
- vii. The Authority sent the exporters' questionnaire to the following known producers/exporters in the subject country in accordance with Rule 7(4) of the CVD Rules.

<b>S. NO.</b>	<b>PRODUCER/EXPORTER</b>
1.	PMJ JOINT STOCK COMPANY
2.	CPI VIET NAM PLASTIC LIMITED
3.	UB MASTERBATCH JOINT STOCK COMPANY
4.	MEGA PLAST JOINT STOCK COMPANY
5.	ADC PLASTIC JSC
6.	HP CHEMICALS JOINT STOCK COMPANY
7.	POLYFILL JOINT STOCK COMPANY
8.	PHU LAM TRADE COMPANY LIMITED
9.	EUROPEAN PLASTICS JOINT STOCK COMPANY
10.	SUN PLASTIKS COMPANY LIMITED
11.	HUU NGHI PLASTIC COMPOUNDSJSC
12.	THANH XUAN STONE MINERALS JSC
13.	FIVE CONTINENTS PLASTICS JSC
14.	VSV GROUP CORPORATION
15.	VINARES VIETNAM JOINT STOCK COMPANY
16.	FILLPLAS COMPANY LIMITED
17.	BAO LAI MARBLE ONE MERMER CO LTD
18.	PLASTEX JOINT STOCK COMPANY
19.	MASKA GLOBAL COMPANY LIMITED
20.	VINA PLASTIC COMPANY LIMITED
21.	SUNSHINE PLASTIC COMPANY LIMITED
22.	CAPOT VIETNAM COMPANY LIMITED
23.	PHA LE PLASTIC MANUFACTURING AND TECHNOLOGY

24.	VIET TRUNG PLASTIC CHEMICAL JOINT STOCK COMPANY
25.	PLASTIC HA NOI TRADING JOINT STOCK
26.	FILTER MASTER BATCH JOINT STOCK COMPANY
27.	BEENPLAST COMPANY LIMITED
28.	VIETNAM COLOR TRADING AND MANUFACTURING BEEN A AND T COMPANY LIMITED
29.	GLOBAL MINERALS JSC
30.	ANBIO JOINT STOCK COMPANY
31.	TLD VIETNAM JOINT STOCK COMPANY
32.	AN THANH BICSOL JOINT STOCK COMPANY
33.	MINH KHANG CHEMICAL TRADING JOINT STOCK COMPANY
34.	US MASTERBATCH JOINT STOCK COMPANY
35.	HOANG GIA MINERAL GROUP JSC
36.	DAI A INDUSTRAY JOINT STOCK COMPANY
37.	VIETNAM HANOTECH JOINT STOCK C
38.	AN TIEN INDUSTRIES JOINT STOCK COMPANY
39.	VITAPLUS JOINT STOCK COMPANY
40.	RAINFOREST EXPORT GOODS WHOLESALERS L L C
41.	ASIA PLASTICS INDUSTRY JOINT STOCK COMPANY
42.	VIETNAM INDUSTRIAL MINERAL INTERNATIONAL
43.	US MASTERBATCH JOINT STOCK COMPANY-HUNG YEN US MASTERBATCH JSC
44.	CONG TY TNHH MINH HIEN LS DAPLAST JOINT STOCK COMPANY
45.	GCC MINERALS JOINT STOCK COMPANY
46.	NO MMA PLASTIC COMPANY LIMITED
47.	DUC PHONG MATERIALS CO LTD
48.	FILLER MASTERBATCH JOINT STOCK COMPANY
49.	POLY PLOY JSC SONG MINH IMPORT EXPORT COMPANY

viii. In response to the initiation notification, the following producers/exporters from the subject country registered themselves as interested parties in the investigation:

<b>S. NO.</b>	<b>PRODUCER/EXPORTER</b>
1.	NGHE AN EUROPEAN PLASTIC ONE MEMBER LIMITED LIABILITY COMPANY
2.	YEN BAI EUROPEAN PLASTIC JOINT STOCK COMPANY
3.	EUROPEAN PLASTIC JOINT STOCK COMPANY
4.	POLYFILL JOINT STOCK COMPANY
5.	AN TIEN INDUSTRIES JOINT STOCK COMPANY
6.	A DONG PLASTIC JOINT STOCK COMPANY
7.	VITAPLAS JOINT STOCK COMPANY
8.	VIETNAM INDUSTRIAL MINERALS INTERNATIONAL JOINT STOCK COMPANY
9.	GCC MINERALS JSC
10.	VIET TRUNG PLASTIC CHEMICAL JSC
11.	US MASTERBATCH JOINT STOCK COMPANY
12.	FILLER MASTERBATCH JOINT STOCK COMPANY
13.	MEGAPLAST JOINT STOCK COMPANY

- ix. Pursuant to the initiation notification, apart from the above producers/ exporters from the subject country, the Government of Vietnam also filed the relevant information through the Trade Remedies Authority of Vietnam.
- x. The Authority sent Importer's / User's Questionnaire to the following known importers of the subject goods in India calling for necessary information in accordance with Rule 7(4) of the CVD Rules.

S. NO.	NAME OF IMPORTER	S. NO.	NAME OF IMPORTER
1	ASIAN TRADELINKS PRIVATE LIMITED	136	SHRI DAKSHINESHWARI MAA POLYFABS LIMITED
2	DVM PROTECH	137	SRIJA POLYMERS
3	PARIKH PACKAGING PRIVATE LIMITED	138	MVS ACMEI TECHNOLOGIES PRIVATE LIMITED
4	PREMIER POLYMERS	139	SDR POLYMERS PRIVATE LIMITED
5	SPINPACK INDUSTRIES CO	140	RATHI ENTERPRISES
6	NEELAMEGAM GANAPATHI RAM	141	SHIVAM AGRI PIPES
7	PADMA POLYMERS	142	BINA PLASTICS
8	EUPHORIA PACKAGING LLP	143	BOHRA SALES SERVICES LIMITED
9	RAWPLAST IMPEX	144	SUPER PACKWELL PRIVATE LIMITED
10	JUMBO BAG LIMITED	145	JUPAX VANIJYA PRIVATE LIMITED
11	GSV POLYMERS PVT LTD	146	RUCHAK CHEMICALS
12	DOLLAR SENSE	147	MEGAPLAST INDIA PRIVATE LIMITED
13	SOUTHERN BIO-TECH POLY INDUSTRY	148	SRI SHYAM ADDITIVES PRIVATE LIMITED
14	MITHILA PLYWOOD PRIVATE LIMITED	149	MOHAN KUMAR AGARWAL
15	INDO CHEMICALS PVT LTD	150	POLYSPIN EXPORTS LIMITED
16	PARASHNATH POLYPACK PVT LTD	151	GOVIND AGARWAL HUF
17	PRAGATI POLYPLAST INDIA PRIVATE LIMITED	152	RUSHABH PLASTIC
18	NIRMAL PLASTIC INDUSTRIES	153	NATIONAL PLASTO CONTAINERS PRIVATE LIMITED
19	GOTHI IMPEX	154	RAJESH COLOUR COMPANY
20	PRIME AGENCIES	155	BHAGYASHREE COLOURS PVT LTD
21	VIRGO POLYMERS I LTD	156	SUN ENTERPRISE
22	A M TRADERS	157	ORACLE POLYPLAST
23	ATULYA FABRICS LLP	158	KAVERI GLOBAL
24	PUJA SALES	159	N K IMPORTS
25	TOPSACK PACKAGING PRIVATE LIMITED	160	PARK SHELDRAKE
26	RAJSHREE POLYPACK LIMITED	161	PYARE LAL FOAMS PVT LTD
27	VISHWAA PACKWEL PRIVATE LIMITED	162	SRIVARI INDUSTRIES
28	SRI LAKOSHA POLYMER PRIVATE LIMITED	163	INDAUTO FILTERS
29	RGK POLYCHEM INDIA PRIVATE LIMITED	164	AJAY LOGISTICS PVT LTD
30	SHREE ADITYA POLYMERS	165	KAVERI IMPEX

<b>S. NO.</b>	<b>NAME OF IMPORTER</b>	<b>S. NO.</b>	<b>NAME OF IMPORTER</b>
31	SHIV INTERNATIONAL LTD	166	NAGINDAS HIRALAL BHAYANI
32	AERO PLAST LTD	167	JAKHOTIA POLYCHEM PVT LTD
33	J VASANTH EXPORTS	168	VGR FOODTECH AGRO PRIVATE LIMITED
34	SERVO PACKAGING LTD	169	MARUTI ENTERPRISE
35	GAGAN POLYMERS	170	EVEREST POLYFILLERS PRIVATE LIMITED
36	TEXBOND NONWOVENS	171	ALPINE FIBC PRIVATE LIMITED
37	PIYUSH POLYTEX INDUSTRIES PVT LTD	172	VAIBHAV MINERALS CHEMICALS
38	DELTA IRRIGATION INDIA LLP	173	MAHASHAKTI POLYCOAT
39	BULK LIQUID SOLUTIONS PVT LTD	174	SHREE KRISHNA SALES AGENCY
40	NIRMAL FIBRES PRIVATE LIMITED	175	NAV - DIV INDUSTRIES
41	TIRUMALAI AGENCY	176	PLASTENE INDIA LIMITED
42	ALLWIN PIPES	177	RANASARIA POLY PACK PVT LTD
43	BROCADE INDIA POLYTEX LIMITED	178	KONKAN SPECIALITY POLYPRODUCTS PRIVATE LIMITED
44	H AND H POLYMERS	179	THANIGAI INTERNATIONAL
45	AARCH NONWOVEN	180	ALPS POLYTEX
46	GIRIVARYA NON WOVEN FABRICS PVT LTD	181	SINGLA PLASTIC UDYOG
47	VIRAT IMPEX	182	ZEEL PACKAGING
48	SAI KANDAN AGENCY	183	OMYA INDIA PRIVATE LIMITED
49	PRATAP SYNTHETICS LIMITED	184	PRAGATI PAPER ENTERPRISES
50	KRISHNA LAMICOAT PRIVATE LIMITED	185	SHREEJI POLYMIX INDUSTRIES
51	ULTRA NONWOVEN	186	VIBGYOR POLYADDITIVES PVT LTD
52	A-ONE TEX TECH PRIVATE LIMITED	187	KIK PLASTICS PRIVATE LIMITED
53	RAJSHREE FABRICS	188	ORIANA GLOBAL TRADE LLP
54	MATRIX IMPEX	189	NEOTEX POLYMER PACKAGING PRIVATE LIMITED
55	PRIMO INDUSTRIES	190	K K POLYCOLOR ASIA LIMITED
56	SHRI MAA POLYFABS LIMITED	191	MADHU PLASTICS PRIVATE LIMITED
57	PRAKRIT IMPEX PRIVATE LIMITED	192	BALAJI POLY UDYOG
58	BIG BAGS INTERNATIONAL PVT LTD	193	CRESCENT ORGANICS PVT LTD
59	PEEKAY AGENCIES PVT LTD	194	SARAF FABTRADE PRIVATE LIMITED
60	PROTON POLYMER	195	FORMOSA SYNTHETICS PVT LTD
61	A P POLYPLAST PVT LTD	196	BANGLORE POLYCOTTERS PRIVATE LIMITED
62	SIGNODE INDIA LIMITED	197	MEHUL COLOURS MASTERBATCHES PVT LTD
63	AGARWAL TECHNOPLAST PVT LTD	198	KASHYAP UNITEX CORPORATION
64	NAAD NONWOVEN PRIVATE LIMITED	199	SURAJ LOGISTIX PRIVATE LIMITED
65	BHOOMI PLASTIC	200	SURAJ JAISWAL
66	ELECTRO POLYCHEM LIMITED	201	H J INDUSTRIES INDIA PRIVATE

S. NO.	NAME OF IMPORTER	S. NO.	NAME OF IMPORTER
			LIMITED
67	MILI EXPORTS	202	K C SONS
68	SURYA LAXMI INDUSTRIES	203	MASTER EXTRUSIONS
69	VARNA BAGS	204	PINNACLE POLYMERS
70	CAPSTONE POLYWEAVE PRIVATE LIMITED	205	JHUNSONS CHEMICALS
71	JEMINI IMPEX SOLUTIONS	206	SEYYON HI-TECH POLY FABS PRIVATE LIMITED
72	SUVARNA EXPORTERS	207	ABIS EXPORTS INDIA PRIVATE LIMITED
73	HARIOM POLYPACKS LIMITED	208	SAI INDUSTRIES PVT LTD
74	DNS POLYFAB PVT LTD	209	AYUSHMAN MERCHANT PRIVATE LIMITED
75	LINGAM POLYMERS	210	TRIMURTI POLYCHEM PRIVATE LIMITED
76	GIRDHAR ROLL WRAP PVT LTD	211	ADISHA MOULDS
77	RAJGURU INDUSTRIES	212	OSWAL INDUSTRIES
78	SKP ENTERPRISES	213	SIDWIN FABRIC PRIVATE LIMITED
79	COVAI POLYMER TRADERS	214	DARSHAN PLASTIC
80	PREET FLEX	215	GLOBECHEM IMPORTS
81	AMCO ENTERPRISES	216	SUVJAY INDUSTRIES INDIA LLP
82	BLOW PACKAGING I PVT LTD	217	STANDARD PACKAGING
83	AVI ADDITIVES PRIVATE LIMITED	218	ESQUIRE MULTIPLAST PRIVATE LIMITED
84	D B POLYMERS	219	BHIM POLYFAB INDUSTRIES
85	POLSTAR	220	BHUYAN ASSOCIATES PVT LTD
86	SKILL DYE CHEM P LTD	221	ANJANI INTERWEAVE
87	VIDVAR COMPANY	222	FASTRAX POLYPLAST PRIVATE LIMITED
88	MANSAROVAR AGRO SACKS PVT LTD	223	SHYAM CHEMICAL AND MINERALS
89	VARDHAMAN POLYPACKS	224	MERIT POLYMERS
90	SAMRUDDHI INDUSTRIES LTD	225	ISHOM PACKAGING PRIVATE LIMITED
91	SUNIL FIBRES PVT LTD	226	MANIKA MOULDS PVT LTD
92	R L COMMERCIAL PRIVATE LIMITED	227	CHURIWAL TECHNOPACK PVT LTD
93	FLEXIBLE BAGS	228	SUPRABHA PROTECTIVE PRODUCTS PVT LTD
94	TOTAL PACKAGING SERVICES	229	KNK OVERSEAS
95	MARIS ASSOCIATES PVT LTD	230	POLYSQUARE LLP
96	SERVO PLASTICS PVT LTD	231	MICO PLAST INDUSTRIES PRIVATE LIMITED
97	MITTAL TECHNOPACK PVT LTD	232	VIJAY POLYMERS
98	NEXXA COMPOUNDS PRIVATE LIMITED	233	TIRUPATHI HYDROCARBON PRIVATE LIMITED
99	BUILDMET FIBRES PRIVATE LIMITED	234	MALLINATH TEXTILE MILLS
100	POLIVEX OVERSEAS	235	DAMAN POLYFABS

S. NO.	NAME OF IMPORTER	S. NO.	NAME OF IMPORTER
101	SAI SURFACTANTS PVT LTD	236	TIBRIWAL PLASTICS PVT LTD
102	BHAGIRATHI PACKAGING PVT LTD	237	BARODA PACKAGING
103	SIMANDHAR IMPEX	238	PRIYADARSHINI POLYSACKS LTD
104	RACHANA POLYMERS PRIVATE LIMITED	239	VISHAL SYNTHETICS
105	BULKPACK EXPORTS LIMITED	240	PATCO POLYPACK PRIVATE LIMITED
106	DURA PLASTSOLUTIONS LLP	241	RISHI FIBC SOLUTIONS PVT LTD
107	FINE TECH INDUSTRIES	242	MICO POLY PACK
108	SYNTHETIC PACKERS PVT LTD	243	SUN MASTERBATCH PVT LTD
109	COLORPLAS POLYADDITIVES LLP	244	BHAVANI PLASTICS
110	GAUTAM SINGHAL	245	K B UDYOG
111	PLASMIX PVT LTD	246	SUN TEX MILLS
112	M D P TRADEING	247	AASTHA PLASTICON
113	HOOGLY EXTRUSIONS LIMITED	248	ANANYA IMPEX
114	DEEPEE CHEM INDUSTRIES	249	AL-SA AD ENTERPRISES
115	PEKON ELECTRONICS LIMITED	250	VIJAYNEHA POLYMERS PVT LIMITED
116	GIRIRAJ POLYPACK	251	NAVKAR PACKAGING
117	SARAF FINCOM PRIVATE LIMITED	252	KANDOI FABRICS PRIVATE LIMITED
118	KT PYROCHEM	253	SHANKAR PACKAGINGS LIMITED
119	RDB RASAYANS LIMITED	254	SNG MICRONS PRIVATE LIMITED
120	DHWANI POLYPRINTS PVT LTD	255	SHREE SALASAR TRADING COMPANY
121	MANHAR POLYMERS PRIVATE LIMITED	256	VIBRANT POLYMERS LLP
122	CHANDRA POLYMER PRIVATE LIMITED	257	SEALION WORLD TRADE PVT LTD
123	SAVITRIDEVI POLYFABRICS INDIA PVT LTD	258	SRI RAM POLYMERS
124	POLYZEN TRADING CO	259	AMIT OIL PRODUCTS PRIVATE LIMITED
125	NS FABRICS	260	S G POLYMERS
126	KULODAY PLASTOMERS PVT LTD	261	V M POLYTEX LIMITED
127	PEARL POLYFILM MANUFACTURERS	262	CONSOLIDATED SHIPPING LINE INDIA PVT LTD
128	PARIVARTAN MERCANTILES PRIVATE LIMITED	263	CREATIVE POLY PACKS P LTD
129	AMORA PROPERTIES PRIVATE LIMITED	264	VEN PACK
130	PARADISE ENTERPRISES	265	VR FIBC JAMBO BAG INDUSTRIES
131	BARODA RAPIDS	266	SAKTHI POLY CHEM
132	SHREE ANGIRA ENTERPRISES	267	DEEP POLYMERS LIMITED
133	PIONEER ENTERPRISES I PVT LTD	268	MEHRASONS COATINGS PVT LTD
134	VIVA PETROCHEMICAL LLP	269	LINCON POLYMERS PVT LTD
135	RAJENDRA CHEMICALS	270	BAJAJ POLYBLENDS PRIVATE LIMITED
		271	PADMAJA POLY PACKS PRIVATE LIMITED

- xi. In response to the initiation notification, the following importers/users registered themselves as interested parties:

S. NO.	IMPORTER/USER
1	RISHABH COLOURS PVT. LTD.

- xii. A copy of the initiation notification and a non-confidential version of the application were sent to the known associations.
- xiii. In response to the initiation notification, none of the known associations have registered themselves as interested parties.
- xiv. Exporters, foreign producers and other interested parties who have failed to respond to, or supply, relevant information to this investigation, have been treated as non-cooperating.
- xv. The Authority issued an Economic Interest Questionnaire to all the known producers and exporters, importers, and the applicant. The economic interest questionnaire was also shared with the administrative line ministry.
- xvi. The period of investigation (“period of investigation” or “POI”) for the purpose of the present investigation is 1<sup>st</sup> April 2023 to 30<sup>th</sup> June 2024 (15 months). The injury period covers the period of investigation and the three preceding financial years 2020-21, 2021- 22, 2022-23.
- xvii. The Directorate General of Systems (DG Systems) was requested to provide transaction-wise details of the imports of the subject goods for the injury investigation period. The said data were received by the Authority and considered for the subject investigation. For the purpose of the present final findings, the Authority has relied upon the DG Systems import data.
- xviii. The Authority decided the PCN Methodology in the recently concluded anti-dumping investigation concerning imports of Calcium Carbonate Filler Masterbatch from Vietnam bearing file number F. No. 06/38/2024 – DGTR in Case No. AD(OI)-36/2024 through notification dated 4th December 2024. Since the scope of the product under consideration in the anti-dumping investigation and present CVD investigation is the same, the Authority considered it appropriate to adopt the same PCN methodology in the present CVD investigation as that decided in the anti-dumping investigation Case No. AD (OI)-36/2024.
- xix. A list of all the interested parties was uploaded on the DGTR website along with the request to all interested parties to email the non-confidential version of their submissions to all the other interested parties.
- xx. In accordance with Paragraph 7 of the Trade Notice No. 09/2021, the Authority limited the detailed examination of applicant domestic producers for determining injury margin. Using statistically valid techniques, the Authority selected the following entities as part of the sample:
- Soltex Petro Products Ltd.
  - Alok Masterbatches Pvt. Ltd.
  - Alok Industries
  - Kandui Industries Pvt. Ltd.
- xxi. The submissions made by the interested parties during the course of this investigation, to the extent supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority, in this final findings.
- xxii. The Authority sought further information to the extent deemed necessary. The on-site verification of the data provided by the domestic industry was conducted to the extent considered necessary for the purpose of the present investigation. The Authority has

- considered the verified data of the domestic industry in its analysis in the present case.
- xxiii. The Authority sought further information from the other interested parties to the extent deemed necessary. The verification of the data provided by the other interested parties was conducted to the extent considered necessary for the purpose of the present investigation.
- xxiv. The non-injurious price (NIP) has been determined based on the actual data/information furnished by the domestic industry. The NIP, based on the optimum cost of production and the cost to make and sell the subject goods in India, has been worked out on the basis of the information furnished by the domestic industry and in accordance with the Generally Accepted Accounting Principles (GAAP) and the CVD Rules, so as to ascertain whether countervailing duty lower than the subsidy margin would be sufficient to remove injury to the domestic industry.
- xxv. In accordance with Rule 7(6) of the CVD Rules, the Authority provided an opportunity to the interested parties to present their views orally in a public hearing held on 8<sup>th</sup> December 2025. The parties that presented their views in the oral hearing, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions, if any. The interested parties were further directed to share the non-confidential version of the submissions submitted by them with the other interested parties.
- xxvi. The disclosure statement was issued on 20.03.2026. Subsequently, in the post disclosure comments, the interested parties raised issues on several aspects of the investigation including countervailability of the schemes, benchmarks considered for different schemes, specificity, injury, causal link, rejection of the questionnaire response etc. The Authority has examined these submissions and considered it appropriate to incorporate them in the disclosure of all relevant facts pertaining to this investigation. Therefore, in supersession of the disclosure statement issued earlier on 20.03.2026, the Authority issued a revised/additional disclosure statement dated 16.06.2026, in the larger public interest in accordance with Rule 18 of the Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995, as amended, disclosing the essential facts under consideration in the matter relating to this investigation. Thereafter, the post disclosure comments, to the disclosure statement dated 16.06.2026, submitted by the domestic industry and other interested parties have been incorporated in these final findings.
- xxvii. Information provided by the interested parties on a confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been treated as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on a confidential basis were directed to provide a sufficient non-confidential version of the information filed on a confidential basis.
- xxviii. Wherever an interested party has refused access to or has otherwise not provided necessary information during the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the views/observations on the basis of the facts available.
- xxix. The Authority has considered all the arguments raised and information provided by all the interested parties at this stage, to the extent that they are supported with evidence and considered relevant to the present investigation.
- xxx. “\*\*\*\*” in these final findings represents information furnished by an interested party on a confidential basis and so considered by the Authority under the Rules.

xxxi. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = Rs 83.82.

### **C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE**

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

- “3. *The product under consideration in the present investigation is "Calcium Carbonate Filler Masterbatch" which is also known as "Filler Masterbatch" or "Calcium Carbonate Compound" wherein calcium carbonate (CaCO<sub>3</sub>) is the major constituent, i.e., more than 50% by volume.*”
4. *Calcium Carbonate Filler Masterbatch is a mix of calcium carbonate (a mineral), base plastic materials like polypropylene or polyethylene, and other additives. The said mixture is extruded at a certain temperature to produce the Calcium Carbonate Filler Masterbatch in compound granules form. The PUC majorly constitutes calcium carbonate, with the rest being plastics and other additives.*
5. *Calcium Carbonate Filler Masterbatch is a special material used in the plastic industry for enhancement of properties of plastic items. Its primary function is to act as a cost-effective and eco-friendly filler imparting specific physical and chemical properties.*
6. *Many industries use Calcium Carbonate Filler Masterbatch, such as packaging, construction, automotive and consumer goods. When added to plastics, Calcium Carbonate Filler Masterbatch can make them stronger, less likely to break, better at keeping their shape, and less likely to shrink.*
7. *Calcium Carbonate Filler Masterbatch can also change how plastic feels on the surface, how it handles heat, and how easy it is to work with. It is often used to make plastic films, sheets, pipes, shaped items, and other plastic goods.*
8. *The product under consideration is classifiable under tariff item 3824 99 00 of the first Schedule to the Customs Tariff Act, 1975. Major imports are cleared under tariff item 3824 99 00. The customs classification is indicative only and is not binding on the scope of the product under consideration in the present investigation.*
9. *The applicants have proposed that the Product Control Numbers (PCNs) for the present investigation may be considered as already adopted in the ongoing anti-dumping investigation concerning imports of Calcium Carbonate Filler Masterbatch from Vietnam bearing file number F. No. 06/38/2024 – DGTR in Case No. AD(OI)-36/2024. The Authority has decided on the PCN Methodology in the above-mentioned anti-dumping investigation vide notification dated 4th December 2024. Since the scope of the product under consideration in the anti-dumping investigation and present investigation is same, the Authority considers it appropriate to adopt the same PCN methodology in the present investigation, i.e., on the basis of calcium carbonate content with the following three categories:*

<b>Criteria</b>	<b>PCN Code</b>
<i>Less than 75% CaCO<sub>3</sub></i>	<i>A</i>
<i>75-85% CaCO<sub>3</sub></i>	<i>B</i>
<i>More than 85% CaCO<sub>3</sub></i>	<i>C</i>

### **C.1. Submissions by other interested parties**

8. The other interested parties have not made any submissions or comments concerning the scope of the product under consideration or the PCN methodology in the present countervailing duty investigation.

### **C.2. Submissions made by the domestic industry**

9. The domestic industry has made the following submissions regarding the product under consideration and the PCN Methodology:
  - i. The domestic industry submitted that the scope of the product under consideration (PUC) and the PCN methodology in the present investigation should remain identical to that finalized by the Authority in the recently concluded anti-dumping investigation concerning imports of the same product from Vietnam. The anti-dumping investigation involved the same product description and the same subject country. The determinations made therein are directly relevant to the present investigation.
  - ii. The domestic industry submitted that the issue of scope of the PUC and the PCN methodology has already attained finality in the anti-dumping investigation after detailed examination by the Authority.
  - iii. In the anti-dumping investigation, the Authority examined extensive submissions from all interested parties, including exporters, importers, users and the domestic industry. Multiple rounds of written submissions were filed and a dedicated meeting on PUC and PCN was held before the Authority reached its determination.
  - iv. The domestic industry submitted that the present countervailing duty investigation should not be used to re-open or re-litigate issues relating to the scope of the PUC and the PCN methodology which have already been examined and settled after full participation of all interested parties in a prior investigation.
  - v. With respect to the PCN methodology, the domestic industry submitted that the Authority, in the anti-dumping investigation, had examined and rejected proposals for PCN classification based on base polymer type, end-use application and production technology.
  - vi. The Authority accepted PCN classification based solely on calcium carbonate content, as this parameter reflects cost and price differences in the market. This conclusion was reached after examination of cost data and submissions placed on record by all interested parties.
  - vii. In view of the above, the domestic industry requested that the scope of the PUC and the PCN methodology, as finalized by the Authority in the anti-dumping investigation, be adopted without modification in the present countervailing duty investigation.

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

10. The submissions made by the interested parties and the domestic industry with regard to the PUC and PCN methodology have been examined as under:
11. The Authority notes that the scope of the PUC and the PCN methodology were examined in detail and finalized in the anti-dumping investigation concerning imports of Calcium Carbonate Filler Masterbatch from Vietnam bearing file number F. No. 06/38/2024 – DGTR in Case No. AD(OI)-36/2024 through notification dated 4th

December 2024.

12. The Authority further notes that the said anti-dumping investigation (Case No. AD(OI)-36/2024) involved the same product description from the same subject country. The determination on scope of PUC and PCN in that investigation is therefore directly relevant and applicable to the present investigation. The Authority also notes that no comments have been made by other interested parties seeking any modification to the scope of PUC or the PCN methodology.
13. In view of the above, the Authority retains the same scope of the PUC and the same PCN methodology as adopted in the anti-dumping investigation for the purpose of the present countervailing duty investigation. The scope of the PUC is determined as follows:

*“The product under consideration in the present investigation is "Calcium Carbonate Filler Masterbatch" which is also known as "Filler Masterbatch" or "Calcium Carbonate Compound" wherein calcium carbonate (CaCO<sub>3</sub>) is the major constituent, i.e., more than 50% by volume.”*

14. The product under consideration is classifiable under tariff item 3824 99 00 of the First Schedule to the Customs Tariff Act, 1975. Major imports are cleared under tariff item 382499 00. The customs classification is indicative only and is not binding on the scope of the product under consideration in the present investigation.
15. Further, the Authority holds that it is appropriate to retain the same PCNs in the present investigation as that decided *vide* Notification dated 04<sup>th</sup> December 2024 in the anti-dumping investigation (Case No. AD(OI)-36/2024), which was based on calcium carbonate content with the following three categories:

Criteria	PCN
Less than 75% CaCO <sub>3</sub>	A
75-85% CaCO <sub>3</sub>	B
More than 85% CaCO <sub>3</sub>	C

#### **D. DOMESTIC INDUSTRY STANDING & SAMPLING PROCESS**

##### **D.1 Submissions made by other interested parties:**

16. The other interested parties have made the following submissions with regard to the scope of domestic industry and standing:
- The initiation of the countervailing duty investigation is based on insufficient grounds, as the petition does not disclose producer-wise production volumes of the domestic producers. In the absence of such information, interested parties are unable to verify whether the applicant producers satisfy the statutory standing requirements under the Customs Tariff Act, 1975.
  - Where multiple domestic manufacturers exist, the domestic industry is required to establish its standing with reliable and verifiable evidence. The petition does not provide individual production data of each producer, thereby preventing verification of whether the applicant producers constitute a major share of total domestic production of the subject goods in India.

- iii. The definition of “domestic industry” under the Customs Tariff Act, 1975 requires that producers collectively account for a major proportion of total domestic production of the like article. The petition provides no evidence to demonstrate that this requirement is satisfied.
- iv. While the petition includes support letters from certain producers, it does not establish whether the applicant producers and supporting producers together constitute a major proportion of total domestic production. Claims of excessive confidentiality were stated to have been used to withhold essential information.
- v. The information provided by the twenty-one supporting producers is seriously deficient. The supporting producers have filed only brief, single-page statements without meaningful data on production, capacity, sales, or financial performance.
- vi. The non-confidential versions of the supporting producers’ submissions are almost entirely redacted, with no indexed, summarized, or trend-based data. As a result, interested parties cannot assess production volumes, sales trends, cost structures, or profitability of the supporting producers.
- vii. This is inconsistent with Trade Notice No. 05/2021, which requires supporting producers to provide installed capacity with evidence, production quantity, and sales volume and value of the subject goods, separately for domestic sales, exports, and captive consumption.
- viii. The complete absence of indexed or summarized non-confidential data also violates Trade Notice No. 14/2018, which mandates that confidentiality claims must be accompanied by meaningful non-confidential summaries sufficient to permit reasonable understanding of the information submitted.
- ix. In the absence of compliant and verifiable data from the twenty-one supporting producers, their support cannot be relied upon for determining domestic industry standing. This defeats principles of transparency and natural justice.
- x. The Authority has not independently verified domestic industry standing by seeking information from non-participating domestic producers or relevant line ministries, as has been the consistent practice of the Authority in past investigations.
- xi. Reference was made to past investigations where such independent verification was undertaken. The absence of a similar exercise creates a risk of distorted data being relied upon.
- xii. Reliance was also placed on WTO jurisprudence to submit that the Authority is under an obligation to ensure that the definition of domestic industry does not introduce a material risk of skewing economic data and distorting injury analysis.
- xiii. Given the existence of a large number of domestic producers in both organised and unorganised sectors, the “major proportion” test is not a purely mathematical exercise and must reflect both quantitative and qualitative aspects.
- xiv. Even if the applicants are assumed to meet the major proportion test, the Authority cannot ignore the situation of other domestic producers unless they are legally ineligible to be considered as part of the domestic industry.
- xv. Injury analysis must objectively examine the industry as a whole and cannot be limited to only certain parts of the industry.
- xvi. With respect to sampling, the other interested parties submitted that they are unable to comment on the appropriateness of the sampling methodology due to the non-disclosure of producer-wise data for the applicant companies for the POI, as required under Trade Notice No. 09/2021.
- xvii. It was submitted that, despite sampling having been undertaken and four domestic producers having been selected as sampled companies, the domestic industry has failed to provide non-confidential versions of the mandatory injury formats (Formats VI-1 to VI-5).

- xviii. The circulation of only a consolidated non-confidential NIP does not satisfy the requirements of Trade Notice No. 09/2021, as the obligation extends to disclosure of the injury formats themselves.
- xix. Without access to the non-confidential injury formats, interested parties cannot meaningfully examine or verify key elements such as cost of production, raw material consumption norms, working capital, capacity utilisation, plant-wise optimum production, and adjustments applied.
- xx. Reliance on alleged past practice or the absence of a requirement for a separate sampling notification cannot override the mandatory disclosure obligations prescribed under Trade Notice No. 09/2021.
- xxi. The Authority has not disclosed the percentage of total domestic production represented by the sampled producers, which is necessary to assess whether the sample is representative.
- xxii. The cumulative effect of non-disclosure of injury formats and non-disclosure of the production share of the sample causes serious prejudice to their rights of defense and violates principles of natural justice.
- xxiii. The Authority was requested to disregard deficient supporter data for the purpose of determining standing, direct the domestic industry to file meaningful non-confidential versions of Formats VI-1 to VI-5 for the sampled producers, disclose the production share represented by the sample, and independently examine and pass a reasoned order on domestic industry standing and the sampling methodology.
- xxiv. The Petitioners have failed to discharge their burden of establishing standing through verifiable evidence, the present application does not meet the requirements of Rule 6(3) of the CVD Rules and Article 11.4 of the SCM Agreement, and ought not to be permitted to proceed.

## **D.2 Submissions made by the domestic industry**

- 17. The submissions of the petitioner with regard to the scope of domestic industry and standing are as follows:
  - i. The domestic industry submitted that standing for initiation of a countervailing duty investigation is governed by Article 11.4 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement) and the corresponding threshold test under Rule 6 of the CVD Rules.
  - ii. The domestic industry submitted that the standing test has two conditions: first, domestic producers whose collective output represents more than 25% of the total production of the like product in India; and second, where support and opposition exist, the supporting producers must represent more than 50% of the total production of those producers expressing either support or opposition.
  - iii. The application for initiation of countervailing duty investigation was filed by two associations namely, CMAAI and MMA on behalf of their members who are domestic producers of PUC in India.
  - iv. Based on the information available with the CMAAI and MMA, their member companies/entities constitute more than 90% of the total Indian production of PUC in India. CMAAI and MMA are the only two associations representing domestic producers of the PUC in India.
  - v. The petitioner has provided the list of members of CMAAI and MMA along with their production volumes of the PUC for the injury period including the POI. Additionally, it also provides the status of each such producer (i.e., whether supporter, opposer or neutral). The petitioner has also provided consolidated

- details of Statement of Indian Production including the estimated production of unknown non-member companies/entities of CMMAI and MMA in the country.
- vi. Following twelve applicant domestic producers filed the required information in Annexure-I to Trade Notice 9/2021 comprising more than 35% of the total domestic production of PUC in India during the POI.

S. No.	Particulars	Share in Total Indian Production
1.	Soltex Petro Products Ltd.	***%
2.	Alok Masterbatches Pvt. Ltd.	***%
3.	Kandui Industries Pvt. Ltd.	***%
4.	Sonali Polyplast Private Limited	***%
5.	Bajaj Polyblends Pvt. Ltd.	***%
6.	Bajaj Plast Pvt. Ltd.	***%
7.	Alok Industries	***%
8.	Bajaj Masterbatches Private Limited	***%
9.	Siddh Chemiplast Pvt. Ltd.	***%
10.	Bajaj Superpack India Ltd.	***%
11.	Blend Colors Private Limited	***%
12.	Shri Ambica Polyfill	***%

- vii. Additionally, following twenty-one entities expressly supported the application.

S. No.	Particulars	Share in Total Indian Production
1.	Sonali Polymers Pvt. Ltd.	***%
2.	Masterplast India Pvt. Ltd.	***%
3.	Sri Maniram Synthetics Pvt. Ltd.	***%
4.	S.P. Polymer	***%
5.	365 Plastium Pvt. Ltd.	***%
6.	N.P. Agro (India) Industries Pvt. Ltd.	***%
7.	Satya Polyalloys LLP	***%
8.	Adex Ployblend Pvt. Ltd.	***%
9.	Rama Vyapaar Pvt. Ltd.	***%
10.	Bhagyashree Colors Pvt. Ltd.	***%
11.	Swastik Plastoalloys	***%
12.	Manan Polymers Pvt. Ltd.	***%
13.	Aditya Polyspin Pvt. Ltd.	***%
14.	J K Paras Ploycoats Ltd.	***%
15.	Speciality Masterbatches LLP	***%
16.	Sachdeva Polycolor Pvt. Ltd.	***%
17.	Everplus Plastics Pvt. Ltd.	***%
18.	Manhar Polymers Pvt. Ltd.	***%
19.	Dolphin Polyfill	***%
20.	JJ Plastalloy	***%
21.	Prabhu Polycolor	***%

- viii. The domestic industry submitted that twelve (12) applicant domestic producers filed the required information in Annexure-I to Trade Notice No. 09/2021 and that these twelve applicants constitute more than 35% of the total domestic production

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of PUC in India during the POI. The domestic industry submitted that twenty-one (21) entities expressly supported the application and provided the required data in the supporters' format.

- ix. The domestic industry submitted that the twelve applicant producers constitute more than 35% of total domestic production, while the applicant producers together with the twenty-one supporting producers constitute more than 55%; accordingly, the statutory standing requirement is satisfied. The domestic industry further submitted that no member company/entity of CMMAI and MMA, and no other domestic producer of PUC, has opposed the petition; hence, the 50% test under the explanation to Rule 6(3) is also satisfied.
- x. The term "domestic industry" under Rule 2(b) of the CVD Rules includes either all domestic producers of the like article, or those whose collective output constitutes a "major proportion" of total domestic production. It submitted that the applicants and supporters collectively account for a major proportion of total domestic production and therefore satisfy Rule 2(b).
- xi. The domestic industry submitted that a statement depicting the share of production of the applicants, supporters, and other Indian producers in total Indian production has been submitted. Further, the domestic industry submitted the following production and share figures for the POI:

<b>Particulars</b>	<b>% share in total Indian production</b>	<b>Production in POI (A)</b>
Twelve applicant domestic producers	35	2,50,893 MT
Twenty-one supporting domestic producers	20	1,43,525 MT
Other Indian Producers	45	3,21,306 MT
Total	100	7,15,724 MT

- xii. The determination on standing in the present CVD investigation should be the same as the determination already made by the Authority in the recently concluded anti-dumping investigation concerning imports of the same product from the same country.
- xiii. Standing was examined and decided after consideration of submissions by exporters, importers, users and the domestic industry in the anti-dumping investigation. In the Final Findings F. No. 06/38/2024–DGTR in Case No. AD(OI)-36/2024, the Authority recorded that the domestic industry satisfied both the 25% standing threshold and the "major proportion" test.
- xiv. The legal tests for standing in a CVD investigation are materially the same as those applied in an anti-dumping investigation. It was reiterated that, under Article 11.4 of the SCM Agreement read with Rule 6(3) of the CVD Rules, standing requires (i) at least 25% support of total production; and (ii) where support and opposition exist, more than 50% support among those expressing support or opposition, and submitted that these principles were already applied and confirmed in the concluded anti-dumping investigation.
- xv. There has been no change in the domestic production base, no change in the identity of the applicant producers and supporting producers, and no change in the verified standing computation already accepted by the Authority in the anti-dumping investigation.
- xvi. The POI in the present investigation is largely the same, with the addition of three months compared with the anti-dumping investigation.

- xvii. Since the factual foundation and legal tests remain the same, the standing determination in the present CVD investigation should follow the concluded standing determination in the anti-dumping investigation, and that attempts to reopen the standing issue should not be entertained.
- xviii. On sampling, the domestic industry submitted that sampling of domestic producers was undertaken in accordance with Paragraph 7 of Trade Notice No. 09/2021, which permits the Authority to limit detailed examination of applicant domestic producers to a limited number for injury margin determination. The Trade Notice requires statistically valid sampling methods but does not prescribe issuance of a separate public notification for sampling.
- xix. The four sampled producers selected for detailed examination are among the largest producers of PUC in India, making them representative for costing and sales verification, and that they together represent a significant share of total domestic applicants.
- xx. The four sampled producers are geographically and operationally diverse, and that diversity ensures the sample is reflective of the broader domestic industry.
- xxi. There is no legal requirement under the CVD Rules or the SCM Agreement to issue a separate notification for selection of the sampled domestic industry. For transparency, the domestic industry filed a submission providing updated information in the prescribed formats and that this submission was circulated to all interested parties in line with the procedure and practice of the Authority.
- xxii. The Authority in numerous past investigations has selected a representative group of domestic producers without issuing a separate sampling notification, and that the emphasis is on completeness, verifiability, and representativeness of data rather than the form of announcement.
- xxiii. The submissions opposing the sampling do not establish any procedural lapse or legal infirmity in the sampling adopted by the Authority.
- xxiv. The domestic industry argued that it complied with Trade Notice No. 09/2021, stating that non-confidential disclosure is meant to allow a reasonable understanding of injury claims, not to reveal sensitive plant-wise cost data. Circulating a consolidated non-confidential NIP, instead of disclosing company-wise confidential formats, satisfies this requirement.
- xxv. Formats VI-1 to VI-5 contain sensitive information including cost of production, raw material consumption norms, working capital, capacity utilisation, and plant-wise optimum production, and that disclosure at a granular level would reveal business-sensitive information of individual producers and cause irreparable damage.
- xxvi. The NIP is computed from confidential data on cost of production, capacity utilisation, raw material consumption, utilities, working capital, and reasonable return, and that this complete data is available to and verified by the Authority. Confidentiality of underlying formats does not affect the correctness or verifiability of the NIP.
- xxvii. The interested parties are not prejudiced because they have been provided non-confidential injury information for the twelve applicant domestic producers reflecting trends in production, capacity utilisation, sales, profitability and other injury parameters. On this basis, interested parties can make submissions on injury and causation, including whether injury, if any, is attributable to subsidized imports.
- xxviii. The CVD Rules do not provide interested parties with a right to access confidential costing or production data of domestic producers, and that the domestic industry's obligation is to place complete data before the Authority,

which has been complied with. Principles of natural justice are safeguarded through the Authority's examination and verification and through disclosure of meaningful non-confidential summaries.

- xxix. The Trade Notice does not require the Authority to disclose the criteria or detailed rationale for sampling or to disclose the precise production share represented by sampled producers. It submitted that representativeness is assessed by the Authority on the basis of confidential data, and the absence of public disclosure does not vitiate the sampling exercise.
- xxx. The domestic industry denied the allegation that sampling was driven by the petitioner's discretion and submitted that sampling is undertaken by the Authority in accordance with Paragraph 7 of Trade Notice No. 09/2021, and the domestic industry does not have authority to select the sample.
- xxxi. The allegations of non-compliance with Trade Notice No. 09/2021 are without legal or factual basis; that sampling has been undertaken by the Authority in accordance with the Trade Notice and established practice; that disclosure obligations under the CVD Rules have been complied with; and that the requests made by interested parties seek disclosure of confidential business information and should be rejected.

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

- 18. The application was filed by the Compounds and Masterbatch Manufacturers Association of India (hereinafter referred to as "CMMAI") and the Masterbatch Manufacturers Association (hereinafter referred to as "MMA") on behalf of the domestic producers in India.
- 19. The Authority notes that the PUC industry in India is fragmented and consists of an excessively large number of domestic producers located across India, hence the application for countervailing duty investigation was filed by two associations, namely CMMAI and MMA, on behalf of their member entities. All the relevant information in the prescribed format as required under Trade Notice No. 09/2021 dated 29th July 2021 as amended vide Trade Notice No. 11/2021 dated 18th November 2021 was filed by the following twelve (12) applicant domestic producers:
  - i. Kandui Industries Private Limited
  - ii. Sonali Polyplast Private Limited
  - iii. Blend Colors Private Limited
  - iv. Bajaj Masterbatches Private Limited
  - v. Bajaj Superpack India Limited
  - vi. Bajaj Plast Private Limited
  - vii. Bajaj Polyblends Private Limited
  - viii. Siddh Chemiplast Private Limited
  - ix. Shri Ambica Polyfill
  - x. Soltex Petro Products Limited
  - xi. Alok Industries
  - xii. Alok Masterbatches Private Limited
- 20. Further, the following twenty-one (21) domestic producers supported the application:
  - i. Sonali Polymers Pvt. Ltd.
  - ii. Masterplast India Pvt. Ltd.
  - iii. Sri Maniram Synthetics Pvt. Ltd.
  - iv. S.P. Polymer

- v. 365 Plastium Pvt. Ltd.
- vi. N.P. Agro (India) Industries Pvt. Ltd.
- vii. Satya Polyalloys LLP
- viii. Adex Ployblend Pvt. Ltd.
- ix. Rama Vyapaar Pvt. Ltd.
- x. Bhagyashree Colors Pvt. Ltd.
- xi. Swastik Plastoalloys
- xii. Manan Polymers Pvt. Ltd.
- xiii. Aditya Polyspin Pvt. Ltd.
- xiv. J K Paras Ploycoats Ltd.
- xv. Speciality Masterbatches LLP
- xvi. Sachdeva Polycolor Pvt. Ltd.
- xvii. Everplus Plastics Pvt. Ltd.
- xviii. Manhar Polymers Pvt. Ltd.
- xix. Dolphin Polyfill
- xx. JJ Plastalloy
- xxi. Prabhu Polycolor

21. The issues raised by the other interested parties and the domestic industry with respect to the domestic industry's standing have been examined below:
22. The Authority notes that the standing requirement for initiation of a countervailing duty investigation is governed by Article 11.4 of the SCM Agreement read with Rule 6(3) of the CVD Rules. Rule 6(3) of the CVD Rules requires that domestic producers expressly supporting the application account for more than 25% of total production of the like article by the domestic industry. Additionally, where domestic producers expressly oppose the application, such opposition should not account for more than 50% of total production by domestic producers who have expressed either support or opposition to the application. The relevant extract is reproduced below:

*“(3) The designated authority shall not initiate an investigation pursuant to an application made under sub-rule (1) unless –*

- (a) it determines, on the basis of an examination of the degree of support for, or opposition to the application expressed by domestic producers of the like article, that the application has been made by or on behalf of the domestic industry : Provided that no investigation shall be initiated if domestic producers expressly supporting the application account for less than twenty-five per cent of the total production of the like product by the domestic industry, and*
- (b) it examines the accuracy and adequacy of the evidence provided in the application and satisfies itself that there is sufficient evidence regarding –*
  - (i) subsidy,*
  - (ii) injury, where applicable; and*
  - (iii) where applicable, a causal link between such subsidized imports and the alleged injury, to justify the initiation of an investigation.*

*Explanation. - For the purpose of this rule, the application shall be considered to have been made "by or on behalf of domestic industry" if it is supported by those domestic producers whose collective output constitutes more than fifty per cent of the total production of the like article produced by that*

*portion of the domestic industry expressing either support for or opposition as the case may be, to the application.”*

23. The Authority further notes that Rule 2(b) of the CVD Rules defines “domestic industry” as domestic producers as a whole, or those domestic producers whose collective output constitutes a major proportion of total domestic production of the like article. The relevant extract is reproduced below:

*(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.*

24. The Authority notes the contention of certain interested parties that the petition does not disclose producer-wise production volumes and market shares of domestic producers and therefore does not allow verification of standing. The Authority notes that standing determination under Rule 6(3) requires examination of the degree of support for, or opposition to, the application expressed by domestic producers of the like article. The Authority conducts such examination on the basis of information placed on record in the application and subsequent responses, including confidential information submitted by applicants and supporters, along with non-confidential summaries as per the applicable rules.
25. The Authority notes the production and share information placed on record by the domestic industry for the POI:

<b>Particulars</b>	<b>% share in total Indian production</b>	<b>Production in POI (A)</b>
Twelve applicant domestic producers	35	2,50,893 MT
Twenty-one supporting domestic producers	20	1,43,525 MT
Other Indian Producers	45	3,21,306 MT
Total	100	7,15,724 MT

26. In the Final Findings of the anti-dumping investigation, it was expressly recorded that the twelve applicant domestic producers along with twenty-one supporting producers constituted more than 55% of total domestic production of the product under consideration in India. The Authority further recorded that both the 25% threshold requirement and the “major proportion” test were satisfied on the basis of verified information on record.
27. The Authority notes that the legal tests for standing under Article 11.4 of the SCM Agreement read with Rule 6(3) of the CVD Rules are materially identical to the standing tests applied in the anti-dumping investigation. The Authority further notes that there has been no material change in the identity of applicant producers, supporting producers, or the domestic production base since the conclusion of the anti-dumping investigation.
28. The Authority also notes that the period of investigation in the present countervailing duty investigation substantially overlaps with the period examined in the anti-dumping

investigation, with the addition of only three months. On examination of the information placed on record in the present investigation, the Authority finds no basis to depart from the standing determination already reached after detailed examination in the earlier proceeding.

29. The Authority therefore considers that the issue of domestic industry standing, having been examined in detail and conclusively determined in the anti-dumping investigation after full participation of all interested parties, is a settled issue. In the absence of any material change in facts or legal framework, the Authority considers it appropriate to maintain consistency and rely on the standing determination already reached.
30. The Authority notes that several objections raised by interested parties under the present heading primarily relate to issues of confidentiality, adequacy of non-confidential summaries, and transparency of information placed on record by applicant and supporting producers.
31. The Authority considers that issues relating to confidentiality claims, compliance with Trade Notices, and adequacy of non-confidential disclosures are procedural matters governed by Rule 8 of the CVD Rules and the relevant Trade Notices. Such issues do not, by themselves, negate satisfaction of the standing thresholds under Rule 6(3) or the definition of domestic industry under Rule 2(b).
32. The submissions concerning alleged excessive confidentiality, adequacy of non-confidential summaries, and transparency of disclosures have been examined separately and are addressed in the relevant subsequent sections of these final findings dealing with confidentiality and disclosure obligations.
33. The Authority does not consider that the absence of a separate exercise of seeking information from non-participating producers, by itself, renders the standing determination invalid where the standing thresholds and domestic industry criteria are satisfied on the basis of information on record and examined by the Authority.
34. On sampling, the Authority notes that Paragraph 7 of Trade Notice No. 09/2021 permits the Authority to limit detailed examination to a sample of domestic producers for injury margin determination and requires the sample to be selected using statistically valid sampling techniques. The Trade Notice does not prescribe issuance of a separate public notification setting out detailed sampling rationale.
35. The Authority notes that four domestic producers were selected for detailed examination. The sampled producers are among the larger producers of the PUC and they are geographically and operationally diverse. Representativeness is assessed by the Authority on the basis of the information on record, including confidential information, and the Authority does not find that the sampling undertaken is vitiated merely because a separate formal notification explaining sampling rationale was not issued.
36. The Authority notes that sampling and representativeness are assessed by the Authority on the basis of the record, and that disclosure of precise producer-wise production shares may involve confidential information of individual producers. The Authority considers that due process is ensured through circulation of non-confidential information to the extent permissible and the opportunity to file submissions.

37. The Authority considers that the ability of interested parties to comment on injury and causal link is preserved through access to consolidated non-confidential trend information, while protecting confidential business information of individual producers. The Authority also notes that the detailed cost data and injury formats remain available for scrutiny and verification by the Authority.
38. The Authority, on the basis of examination, available on record, therefore holds that the initiation and continuation of the investigation are not vitiated on grounds of domestic industry standing or the sampling process, as the standing thresholds under Rule 6(3) / Article 11.4 are satisfied, the domestic industry requirement under Rule 2(b) is met on the basis of the production structure examined, and sampling has been undertaken in accordance with Paragraph 7 of Trade Notice No. 09/2021 and examined by the Authority on the basis of the investigation record.
39. Thus, the following twelve (12) applicant domestic producers constitute domestic industry as per Annexure-I to Trade Notice 9/2021 for fragmented industries:
- i. Kandui Industries Private Limited
  - ii. Sonali Polyplast Private Limited
  - iii. Blend Colors Private Limited
  - iv. Bajaj Masterbatches Private Limited
  - v. Bajaj Superpack India Limited
  - vi. Bajaj Plast Private Limited
  - vii. Bajaj Polyblends Private Limited
  - viii. Siddh Chemiplast Private Limited
  - ix. Shri Ambica Polyfill
  - x. Soltex Petro Products Limited
  - xi. Alok Industries
  - xii. Alok Masterbatches Private Limited
40. Further, the following twenty-one (21) domestic producers supported the application and provided the required data in the prescribed format:
- i. Sonali Polymers Pvt. Ltd.
  - ii. Masterplast India Pvt. Ltd.
  - iii. Sri Maniram Synthetics Pvt. Ltd.
  - iv. S.P. Polymer
  - v. 365 Plastium Pvt. Ltd.
  - vi. N.P. Agro (India) Industries Pvt. Ltd.
  - vii. Satya Polyalloys LLP
  - viii. Adex Ployblend Pvt. Ltd.
  - ix. Rama Vyapaar Pvt. Ltd.
  - x. Bhagyashree Colors Pvt. Ltd.
  - xi. Swastik Plastoalloys
  - xii. Manan Polymers Pvt. Ltd.
  - xiii. Aditya Polyspin Pvt. Ltd.
  - xiv. J K Paras Ploycoats Ltd.
  - xv. Speciality Masterbatches LLP
  - xvi. Sachdeva Polycolor Pvt. Ltd.
  - xvii. Everplus Plastics Pvt. Ltd.
  - xviii. Manhar Polymers Pvt. Ltd.
  - xix. Dolphin Polyfill
  - xx. JJ Plastalloy

xxi. Prabhu Polycolor

## **E. CONFIDENTIALITY & OTHER MISCELLANEOUS ISSUES**

### **E.1 Submissions by other interested parties**

41. The following submissions have been made by the other interested parties with regard to confidentiality and other miscellaneous issues:
- i. The initiation notification and subsequent proceedings are bad in law as the investigation was initiated with an impermissibly extended POI of 18 months, allegedly in violation of Explanation (ii) to Rule 6 of the CVD Rules.
  - ii. Explanation (ii) mandates a default POI of twelve months, and permits deviation to a minimum of six months or maximum of eighteen months only “for the reasons to be recorded in writing” by the Designated Authority.
  - iii. The requirement to “record reasons in writing” is mandatory, as evident from the term “shall”. This requirement serves purposes such as consistency in injury analysis, like-for-like comparisons, and procedural fairness, and therefore requires an independent, reasoned justification demonstrating application of mind by the Authority.
  - iv. The initiation notification merely reproduces the petitioner’s statement and does not contain the Authority’s independent evaluation.
  - v. The initiation notification does not record whether the Authority verified or accepted the petitioner’s claims regarding MSME status or resource constraints; does not explain why the stated practical difficulties constitute exceptional circumstances warranting deviation from the 12-month norm; and does not address whether reasons for deviation can be supplied after initiation.
  - vi. Petitioner convenience or administrative hardship cannot substitute for the Authority’s statutory obligation to record its own reasons, and that mechanically endorsing the petitioner’s averment would render the “reasons to be recorded in writing” requirement meaningless.
  - vii. The petition is defective for non-compliance with Trade Notice No. 14/2018, which obliges petitioners to furnish detailed non-confidential supporter data to permit meaningful verification and rebuttal.
  - viii. Supporters’ submissions comprise blank formats with substantive information redacted under blanket confidentiality claims, making the data unusable and preventing assessment of volume, market share, injury, and standing claims.
  - ix. In the absence of compliant non-confidential supporter data, the Authority should disregard the supporters’ contributions entirely and treat the petition as lacking support. The initiation should fail for want of demonstrated support and that the proceedings should be dismissed/terminated at the threshold.
  - x. Trade Notices are binding on the Authority and parties. Reliance was placed on the Supreme Court decision in *Steel Authority of India v. Collector of Customs, Bombay* (Civil Appeal No. 6600 of 1985) to submit that a trade notice binds customs authorities and, if erroneous, must be withdrawn or amended.
  - xi. The applicant industry failed to provide complete and updated data corresponding to the POI adopted in the initiation notification. The application was originally filed on the basis of April 2023–March 2024 data, whereas the Authority initiated the investigation for 1 April 2023–30 June 2024.

- xii. Once the Authority adopted the extended POI, the applicant was obligated to align its application with the notified POI by furnishing a complete updated set of information and revised injury analysis covering the entire notified period, rather than relying on data only up to March 2024.
- xiii. The applicants did not file a complete updated application and, instead, filed only a single-page “updated” Proforma IV-A consolidating information of all applicant producers.
- xiv. This does not cure the deficiency because the applicant did not provide company-wise information for the updated POI for all individual applicant companies, as mandated under Trade Notice No. 09/2021, and did not file revised injury tables, trends, or narrative analysis for the notified POI.
- xv. This piecemeal updating impedes the rights of interested parties to defend their interests, deprives parties and the Authority of a coherent understanding of injury parameters, and results in the investigation proceeding on an application and injury analysis not corresponding to the POI, thereby undermining the prima facie injury and causation assessment.
- xvi. The applicant has not discharged its burden to substantiate injury over the POI adopted by the Authority.
- xvii. The absence of certifications/undertakings/declarations/authorizations for the complete POI renders the proceedings illegal. The application was filed with the POI as 1 April 2023–31 March 2024, but the Authority initiated the investigation with 1 April 2023–30 June 2024, and the applicant did not provide certifications corresponding to the POI considered by the Authority in the initiation notification.
- xviii. The Authority ought to have sought certifications for the POI adopted in the initiation notification, including certifications regarding relationship with importers/exporters and self-imports, to assess whether the applicant qualifies as domestic industry under Rule 2(b), and that this should have been done prior to issuance of the initiation notification as a pre-condition.
- xix. The initiation notification was published without ascertaining pre-conditions under Rule 2(b) and therefore the proceedings are bad in law, including for violation of Rule 5 and Rule 6(3), which provides that the Authority shall not initiate unless pre-conditions are met. Since the defect occurred prior to initiation, it cannot be cured later by providing certifications at the current stage and is a fatal jurisdictional error.
- xx. Even the subsequently filed updated injury information for the updated POI does not contain mandatory certifications/undertakings/declarations or authorizations for the updated period. Decisions on eligibility to file the application and prima facie satisfaction as to subsidization, injury, and causal link have been taken without complete POI data and without certifications, casting doubt on the correctness of the data.
- xxi. The applicant industry claimed excessive confidentiality on several key economic parameters in the petition, impairing respondents’ ability to examine injury parameters and defend their interests. The applicant neither established good cause for confidentiality nor provided adequate non-confidential summaries sufficient for reasonable understanding.
- xxii. Where a party claims information is not susceptible to summarization, CVD Rules require a statement of reasons explaining why summarization is not possible, and a bald assertion that summarization is not possible does not satisfy this requirement.
- xxiii. In terms of the CVD Rules and Trade Notice, the non-confidential version of the petition must provide indexed and summarized data in sufficient detail to permit

- reasonable understanding, and that Trade Notice provides that submissions without meaningful non-confidential versions should not be taken on record.
- xxiv. Proper non-confidential versions of the petition should be provided and that meaningful non-confidential summaries be made available to enable effective defense.
- xxv. Contrary to Trade Notice No. 10/2018, the petition provides trends for sales value, PBIT per unit, total PBIT, domestic sales interest/finance cost, and depreciation/amortization expenses, whereas aggregated actual numbers were required, and that this undermines transparency.
- xxvi. Reference was made to the domestic industry's position that Trade Notice No. 10/2018 is guideline-based and permits deviation case-by-case upon showing good cause, and that confidentiality has been claimed accordingly. Interested parties submitted that such reliance is misplaced because deviation is permissible only upon demonstrating good cause, which has not been substantiated in the present case.
- xxvii. Disclosure of aggregated actual figures for multiple producers does not reveal individual company information and therefore does not prejudice commercial interests. According to interested parties, the domestic industry has not shown why such aggregated disclosure cannot be made, and therefore no good cause exists for providing only trends.
- xxviii. Trade notices are binding and that the domestic industry's justification that similar disclosure was not required in earlier cases is not a valid basis to disregard Trade Notice requirements. The Authority was requested to direct the domestic industry to provide aggregated actual figures in the non-confidential version to ensure transparency and compliance.
- xxix. Supporting producers filed only minimal statements with substantive information blacked out, with no indexed or trend-based data, preventing assessment of production, sales, cost trends, profitability, and the extent of support. Domestic industry did not comply with Trade Notice No. 05/2021 and Trade Notice No. 14/2018, and such deficient support be disregarded.
- xxx. The import data relied upon by the petitioner is from unreliable secondary/private sources and is not authentic or reliable. The Authority should call for and rely upon DGCIS import data for examination of imports, as the Authority has relied upon DGCIS data in past cases.
- xxxi. The petitioner claimed excessive confidentiality by not disclosing even the name of the source of the import data used as a basis for initiation, without citing reasons for such confidentiality. The import data pertains to exporters and therefore cannot be claimed confidential from responding exporters.
- xxxii. A distinction must be maintained between calcium carbonate filler masterbatch (the PUC) and color masterbatch (NPUC). Calcium carbonate masterbatch is typically priced lower, while color masterbatch has higher prices and higher profit margins.
- xxxiii. The Authority was requested to obtain separate production and financial data for PUC and color masterbatch; identify which of the 12 applicants are primarily engaged in producing the PUC; determine what proportion of capacity is dedicated to PUC versus color masterbatch; and ensure that applicant standing and injury evaluation is assessed only with reference to PUC production.
- xxxiv. Objections relating to sampling-related disclosure were reiterated, stating that mere disclosure of consolidated NIP does not satisfy Trade Notice No. 09/2021 and that non-confidential versions of Formats VI-1 to VI-5 for sampled producers are required to enable meaningful examination.

- xxxv. The injury analysis cannot be reviewed based on NIP alone and requires access to the underlying injury formats, including cost allocation methodologies, consumption norms, utilities, working capital assumptions, capacity utilisation and plant-wise optimum production levels, and adjustments/normalisation.
- xxxvi. The Authority has not disclosed the production share represented by sampled producers, which undermines transparency and prevents assessment of representativeness.
- xxxvii. No submission filed by the applicant should be taken on record unless a proper non-confidential version has been shared. The applicant should clearly specify which earlier submissions are being relied upon, and that the Authority should verify that each confidential submission is accompanied by a proper non-confidential version and reject submissions that do not meet this requirement.
- xxxviii. The supporters did not provide details corresponding to the POI considered in the initiation notification and trade notices must be followed and that non-compliance has been overlooked.
- xxxix. Even if certain documents are business sensitive, at least index-based non-confidential information should be provided. Support letters should not be withheld without reasons and, at minimum, information should be provided in percentage form to enable respondents to analyse support in a fair manner.
- xl. Excessive confidentiality hinders meaningful submissions, including on injury parameters, and all non-confidential data and meaningful summaries be made available to allow effective defence.
- xli. Rule 18 of the Subsidy Rules, 1995 requires that the designated authority, shall, before giving its final findings, inform all interested parties and interested countries of the essential facts under consideration which form the basis of its decision and permit the interested parties to defend their interest. The excerpts of Rule 18 are provided below to substantiate our claim in this context.

#### Rule 18. Disclosure of information

*The designated authority, shall, before giving its final findings, inform all interested parties and interested countries of the essential facts under consideration which form the basis of its decision and permit the interested parties to defend their interest.*

- xlii. They submitted that the requirements and obligations of Rule 18 have not been complied with, thereby resulting into denial of a fair opportunity to the interested parties to comment upon the same and adequately defend their interests. Therefore, they requested the Hon'ble Authority to issue fresh Disclosure Statement so that they are able to file their meaningful comments and adequately defend their interests.

### **E.2 Submissions by the domestic industry**

- 42. The following submissions have been made by domestic industry with regard to the confidentiality and other miscellaneous issues:
  - i. The Authority must assess confidentiality based on various factors including nature of information and whether such information is by law, custom, usage or practice treated as confidential in the relevant field.

- ii. The domestic industry denied failure to comply with Trade Notice 09/2021 which recognizes challenges in gathering complete information from all producers in fragmented industries and provides simplified procedures for initial filings. The petitioners filed all required information under Annexure-I for twelve applicant producers supported by requisite production and injury data across the injury period.
- iii. The domestic industry denied that only Proforma IV-A and single-page NIP statement was provided, stating that complete confidential data including PCN-wise cost and price data and cost sheets were submitted to the Authority. Non-confidential versions were submitted to extent possible without disclosing information that could harm commercial interests of sampled producers operating in highly competitive market.
- iv. The domestic industry denied failure to adhere to Trade Notice 10/2018 and Trade Notice 14/2018, stating that as per the Trade Notice, producers are required to provide reasonable non-confidential summary or explanation where summary is not possible. In all instances where data was marked confidential, either summary in indexed form was submitted or explanation was provided why disclosure would severely prejudice companies.
- v. Non-confidential versions were submitted with data marked with justifiable confidentiality indicators in accordance with Trade Notice. Summary trends in domestic sales, profit margins, interest costs and depreciation were provided in indexed form, fully complying with confidentiality treatment requirements.
- vi. Allegations of excessive confidentiality are without basis as the Authority has consistently accepted confidential filings where companies can show risk of significant commercial harm. The market for the PUC is competitive and disclosure of costs and pricing would materially harm sampled producers. Confidentiality claims are made in accordance with Trade Notice and CVD Rules.
- vii. There is no legal obligation to disclose actual numbers in public version when such disclosure would lead to commercial harm. The Authority has not raised any deficiency with respect to confidentiality and there is no procedural violation.
- viii. The Authority is competent body to assess completeness, confidentiality and procedural compliance. All mandatory information has been placed on record and the Authority retains discretion to verify and evaluate all data on record and direct disclosure of further information if required.
- ix. The domestic industry submitted that it has placed on record the list of members of CMMAI and MMA along with their status as supporters or opposers, and a statement depicting the share of production of applicants, supporters, and other Indian producers in total domestic production.
- x. The domestic industry submitted that the request to disregard the support of the supporting producers is untenable and that the record contains supporter-wise information in non-confidential form as required under the applicable framework.
- xi. Interested parties have misread the Trade Notice by asserting that it mandates disclosure of aggregated actual figures in all cases involving multiple domestic producers.
- xii. Trade Notice No. 10/2018 expressly provides that the confidentiality guidelines are not absolute and that the Authority may permit deviation on a case-to-case basis upon demonstration of good cause, consistent with Rule 8 of the CVD Rules.
- xiii. Good cause exists in the present case for claiming confidentiality over aggregated sales value and profitability figures. Aggregate sales quantities have been disclosed in the non-confidential version, and disclosure of aggregated sales value

- and profitability, when read with quantities, would reveal estimated selling prices and profit levels of the domestic producers.
- xiv. The domestic market for the PUC is highly competitive and fragmented, with multiple Indian producers competing among themselves and with exporters. Disclosure of consolidated sales value and profitability figures would provide pricing benchmarks to competitors and exporters, enabling undercutting and causing serious commercial harm.
  - xv. The allegation that aggregated disclosure for multiple producers would not prejudice commercial interests ignores market realities, as aggregated figures can still reveal sensitive pricing and margin information in industries with comparable cost structures and product characteristics.
  - xvi. The allegation regarding non-disclosure of interest and depreciation data is factually incorrect, as aggregate information relating to interest expenses and depreciation and amortization has been provided in the non-confidential version of the petition.
  - xvii. Confidentiality has not been claimed through bald assertions. The domestic industry has clearly explained the justification for confidentiality, including risks of price undercutting, loss of bargaining power, and distortion of competition.
  - xviii. Reliance was placed on past practice of the Authority, including the anti-dumping investigation concerning imports of Soda Ash from Turkey, Russia, USA and Iran, where the Authority accepted disclosure of trends instead of aggregated actual figures for sales value and profitability in view of potential commercial harm.
  - xix. The Authority, in the Soda Ash Final Findings, expressly recorded that disclosure of actual selling price, cost, and profitability information could cause significant adverse effects and confer undue competitive advantage, and therefore allowed confidentiality on such parameters.
  - xx. The factual matrix in the present investigation is materially identical to the Soda Ash case, as the domestic industry here also comprises multiple producers competing inter se and with exporters, and disclosure of aggregated actual figures would similarly reveal sensitive pricing and margin information.
  - xxi. Acceptance of trend-based disclosure does not dilute transparency. The non-confidential trends provide sufficient information to understand injury parameters, examine patterns over the injury period, and make meaningful submissions while protecting confidential business information.
  - xxii. The Authority has consistently allowed confidentiality of selling price and profitability-related information in investigations involving multiple producers, including investigations concerning printed circuit boards, PVC suspension resins, solar cells, tyres, polyester yarn, and caustic soda.
  - xxiii. Interested parties are not prejudiced in their right of defense and are able to make submissions on volume effects, price effects, profitability trends, and causation on the basis of the non-confidential information placed on record.
  - xxiv. With respect to allegations regarding inadequate disclosure by supporting producers, the present investigation concerns a fragmented industry dominated by MSMEs, and that the special procedural framework under Trade Notice No. 09/2021 applies.
  - xxv. Trade Notice No. 09/2021 requires applicant domestic producers to file basic injury information in Annexure-I and does not require supporting producers to file detailed injury, cost, sales, or financial information.
  - xxvi. The purpose of Trade Notice No. 09/2021 is to simplify initiation for fragmented industries and avoid procedural barriers that would otherwise prevent such industries from seeking trade remedy protection.

- xxvii. In compliance with Trade Notice No. 09/2021, it has already filed and circulated a complete list of members of CMMAI and MMA indicating supporters, opposers, and neutral producers, along with aggregated production data sufficient to understand the production structure of the domestic industry.
- xxviii. Without prejudice, it was reiterated that the twelve applicant domestic producers alone account for more than 35% of total domestic production during the POI, independently satisfying the 25% threshold under Rule 6(3), irrespective of supporter data.
- xxix. No domestic producer has opposed the application, and therefore the second limb of the standing test under Rule 6(3), requiring supporters to represent more than 50% of those expressing support or opposition, is automatically satisfied.
- xxx. Allegations regarding violation of Trade Notice No. 14/2018 must be assessed in harmony with Trade Notice No. 09/2021, which was issued later in time and specifically addresses filing requirements for fragmented industries.
- xxxi. The injury determination under the CVD Rules is based on data of the applicant domestic producers, including sampled producers where applicable, and supporting producers are not required to submit detailed injury information.
- xxxii. The consolidated Proforma IV-A captures key injury parameters and that interested parties have access to non-confidential injury information sufficient to comment on injury and causation.
- xxxiii. No principles of natural justice have been violated and that interested parties have been afforded full opportunity to examine and comment on injury on the basis of information placed on record.
- xxxiv. With respect to allegations regarding failure to re-file a complete updated application for the extended POI, the Authority has discretion to determine the POI at initiation and that initiation is based on prima facie evidence. Once the POI was extended, the domestic industry furnished updated information for the additional period in the manner directed by the Authority, and there is no requirement under the CVD Rules to re-file the entire petition.
- xxxv. No prejudice has been caused to interested parties, as non-confidential information reflecting trends over the injury period, including the extended POI, has been placed on record.
- xxxvi. With respect to allegations regarding absence of certifications or declarations for the extended POI, the application contained the required certifications at the time of filing and that extension of the POI does not invalidate certifications already on record.
- xxxvii. Any alleged procedural deficiency is curable and does not render the initiation void or without jurisdiction.
- xxxviii. Company-wise information for individual applicant producers was provided at the time of filing in accordance with Trade Notice No. 09/2021 and that updated company-wise information for the extended POI has also been filed with the Authority. The non-confidential versions of individual company-wise information for the updated POI have also been filed and circulated to all other interested parties.
- xxxix. The initiation was based on examination of accuracy and adequacy of evidence under Rule 6 of the CVD Rules and Articles 11.2 and 11.3 of the SCM Agreement.
- xl. The import trends relied upon show a consistent increase in imports from Vietnam over the injury period, culminating in a surge during the POI, and that these trends have been corroborated by verified import data examined by the Authority.

- xli. Reliance on secondary import data at the stage of initiation is an established practice of the Authority where official data is not contemporaneously available, and such data is subsequently verified during investigation.
- xlii. With respect to allegations regarding mixing of PUC data with colour masterbatch data, all information furnished relates exclusively to Calcium Carbonate Filler Masterbatch and that consolidated Proforma IV-A reflects only PUC-specific data.
- xliii. The fact that some applicant producers may also manufacture colour masterbatch does not invalidate the injury analysis, as long as the analysis is based on PUC-specific data, which is the case here.
- xliv. The domestic industry requested that the submissions of the interested parties on confidentiality and miscellaneous procedural issues be rejected.

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

43. The submissions made by the other interested parties and the domestic industry with regard to confidentiality and other miscellaneous issues have been examined as under:
- i. The Authority notes the objection that the investigation was initiated with 15-month POI and that Explanation (ii) to Rule 6 of the CVD Rules prescribes a 12-month POI as the norm, permitting a minimum of six months or a maximum of eighteen months only “for reasons to be recorded in writing”. Explanation (ii) to Rule 6 of the CVD Rules provides as follows:
    - (ii) be for a period of twelve months and for the reasons to be recorded in writing the designated authority may consider a minimum of six months or maximum of eighteen months.*
  - ii. The Authority considers that, at the stage of initiation, the Authority is required to record reasons for the POI selected, and such reasons are required to be adequate to explain the basis for the choice made. The Authority that submissions of interested parties that the investigation was initiated with an 18 months POI is wrong and denied. The Initiation notification dated 27.12.2024 clearly records that investigation was initiated with a 15 months POI.
  - iii. The Authority notes the reasons related to the structure of the domestic industry in the present case and the practical feasibility of compiling data for a fragmented MSME-driven industry. The Authority considers these considerations relevant for selecting an appropriate POI within the range provided under Explanation (ii) to Rule 6 of the CVD Rules.
  - iv. The Authority considers that selection of an appropriate POI within the permissible statutory range requires balancing comparability and practicality, and that the reasons recorded in the initiation notification are sufficient for the purpose of Explanation (ii) to Rule 6 of the CVD Rules.
  - v. Accordingly, the Authority has not accepted the submission that the investigation is without jurisdiction on the grounds that the POI is more than 12 months. The Authority further notes that the choice of POI within the permissible statutory range.
  - vi. The Authority made available non-confidential version of the information provided by various parties to all interested parties as per Rule 7(7) of the CVD Rules. With

regard to confidentiality of information, Rule 8 of CVD 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 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 a 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.”*

- vii. The Authority notes the submission of other interested parties that supporters have not provided meaningful non-confidential data on production, capacity, sales, profitability or injury, that the non-confidential versions are heavily redacted, and that supporters’ support should therefore be disregarded for the purposes of standing.
- viii. The Authority notes that twelve (12) applicant domestic producers filed the required information in Annexure-I under Trade Notice No. 09/2021 constitute domestic industry, and that twenty-one (21) producers expressly supported the application.
- ix. The Authority notes that, in any event, the twelve applicant producers alone constitute more than 25% of total domestic production. The Authority therefore considers that satisfaction of the 25% threshold under Rule 6(3) does not depend on the supporters. Further, the Authority notes that no domestic producer has expressed opposition to the application. In view of the explanation to Rule 6(3), the Authority considers that the standing requirement relating to the degree of support among those expressing support or opposition is satisfied on the facts of the present case.
- x. The Authority notes the submission that Trade Notice No. 14/2018 requires detailed non-confidential summaries and that supporters’ data is non-compliant. The Authority considers that confidentiality obligations apply to all submissions, and that the adequacy of non-confidential summaries must be assessed in the context of the information required to be filed and the nature of information for which confidentiality is sought.
- xi. The Authority notes the submission that Trade Notice No. 10/2018 requires disclosure of aggregated data in actual figures in cases involving multiple domestic

- producers, and that the domestic industry disclosed only trends for parameters such as sales value, profitability, interest/finance cost, and depreciation/amortization.
- xii. The Authority has examined the domestic industry's justification that aggregate sales quantities have been disclosed and that disclosure of aggregated sales value and profitability, when read with quantities, can reveal estimated selling price and profit levels of domestic producers in a competitive and fragmented market. The Authority notes the domestic industry's submission that such disclosure can provide pricing benchmarks to competitors and exporters and may cause commercial harm.
  - xiii. The Authority considers that the confidentiality regime under the CVD Rules seeks to balance transparency and due process with protection of confidential business information. The Authority considers that trend-based disclosure can be permissible where it permits reasonable understanding of the substance of information while protecting sensitive data, provided the summaries are meaningful and sufficient for interested parties to present their case.
  - xiv. On the facts of the present case, the Authority considers that the domestic industry has provided non-confidential information in a manner that enables interested parties to understand trends over the injury period and make submissions on injury, price effects, profitability trends, and causation, while protecting information that is confidential by nature.
  - xv. The Authority has undertaken a thorough examination of the confidentiality claims submitted by both the domestic industry and other interested parties. Upon review, the Authority finds that these claims were, in general, appropriately substantiated and in conformity with the applicable legal provisions.
  - xvi. Accordingly, on being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to the other interested parties. Wherever possible, parties providing information on a confidential basis were directed to provide a sufficient non-confidential version of the information filed on a confidential basis.
  - xvii. The Authority notes the submission of other interested parties that the application was originally filed for April 2023–March 2024, while the Authority initiated with an extended POI of 1 April 2023–30 June 2024, and that the applicant allegedly failed to re-file a complete updated application and revised injury analysis for the notified POI.
  - xviii. The Authority notes that it may fix the POI at initiation based on prima facie evidence and may later seek updated information or additional evidence during the investigation. The domestic industry has stated that it submitted all required updated POI data in the manner directed, and that the CVD Rules do not require a complete re-filing of the petition for such updates. It also submitted company-wise information in the prescribed formats, including for the updated POI, along with a circulated non-confidential version. Regarding the allegation that fresh certifications were not provided for the extended POI, the domestic industry maintains that the original certifications filed with the application remain valid and are not invalidated merely because the POI was extended.
  - xix. The Authority considers that the relevant question is whether the information

required for examination is available on record for the POI adopted, and whether the Authority has had the ability to examine and verify the information during the investigation. The Authority notes that the investigation process includes opportunities to seek and provide updated information, and procedural requirements are to be applied to ensure a fair process without treating curable procedural aspects as jurisdictional defects in the absence of prejudice.

- xx. The Authority notes that interested parties have had access to non-confidential information for the injury period including the extended POI and have been afforded opportunity to file submissions. The Authority therefore does not accept the submission that the proceedings are vitiated at the threshold on account of the form in which updated POI information was provided or on account of the allegations regarding certifications, particularly where information has been placed on record and examined.
- xxi. The Authority notes the submission that the petitioner relied on secondary/private sources for import data and that the Authority should have called for DGCI&S data at initiation, and that the source of import data was not disclosed.
- xxii. The Authority notes that import trends relied upon for initiation were examined for reasonableness and consistency and that the Authority has access to official import data during investigation for verification.
- xxiii. The Authority notes that for the purpose of investigation, it has relied upon the DG Systems data.
- xxiv. The Authority notes the submission that sampled companies may manufacture both calcium carbonate filler masterbatch (PUC) and colour masterbatch, and that profitability of colour masterbatch could distort injury analysis unless PUC-specific data is used.
- xxv. The investigation concerns only Calcium Carbonate Filler Masterbatch and that all information furnished by applicant domestic producers, including company-wise and consolidated Proforma IV-A data, pertains exclusively to the PUC, and does not include production, sales, costs or profitability relating to colour masterbatch or other non-subject products.
- xxvi. The relevant issue is whether the injury analysis is based on PUC-specific data. On the basis of the record, the Authority holds that the applicant domestic producers have filed product-specific information relating to the PUC in the prescribed formats. The Authority therefore has not accepted the submission that the injury analysis is vitiated merely because certain producers may also manufacture other products, where the data relied upon is product-specific and duly verified by the Authority.
- xxvii. The Authority notes that certain interested parties reiterated that non-confidential versions of injury formats VI-1 to VI-5 for sampled producers should be circulated and that mere disclosure of a consolidated non-confidential NIP is insufficient, and that non-disclosure of production share of sampled producers affects representativeness.
- xxviii. The Authority reiterates that the injury analysis and NIP are based on complete information placed on record by the sampled producers and examined by the

Authority, and confidentiality claims are assessed under the applicable framework to balance transparency and protection of confidential information.

- xxix. In view of the above examination, the Authority holds that the above issues have been examined in accordance with the applicable legal framework and do not vitiate the initiation or continuation of the present investigation.

## **F. DETERMINATION OF SUBSIDY AND SUBSIDY MARGIN**

### **F.1. Submissions by other interested parties:**

44. The other interested parties have made the following submissions with regard to the subsidies and subsidy margin:
- i. The producers/exporters submitted that the allegations of subsidization made in the petition are unfounded and unsupported by evidence.
  - ii. The producers/exporters contended that the petition lacks “sufficient evidence” of subsidization as required under Articles 11.2 and 11.3 of the SCM Agreement and the corresponding provisions of the Indian CVD Rules. The petition relies on assertions and general descriptions of government policies without establishing the constitutive elements of a subsidy for each alleged programme.
  - iii. The existence of a subsidy under the SCM Agreement and the CVD Rules requires proof of a financial contribution, benefit, and specificity, and that mere availability or existence of a programme under domestic law is legally insufficient.
  - iv. Reliance is placed on WTO jurisprudence, including the Panel Report in China – GOES, to argue that the investigating authority must examine the accuracy and adequacy of evidence before initiating an investigation and must filter out applications that do not meet the sufficiency standard. It is contended that “prima facie” evidence is not equivalent to “sufficient evidence” and that the latter requires legally satisfactory substantiation.
  - v. One of the interested parties submitted that out of the thirteen subsidy programmes alleged in the petition, they have not availed any programme except a minor investment-linked corporate income tax exemption, which is claimed to be a general measure under Vietnamese law and non-specific in nature.
  - vi. The said corporate income tax exemption was available only for a limited period of six months during the fifteen-month period of investigation and yielded a negligible benefit. Such a limited and general tax measure cannot be treated as a countervailable subsidy.
  - vii. Few producers/ exporters submitted that they are either not eligible under the respective schemes, have not participated in such schemes, or have engaged in purely commercial transactions conducted at market-determined rates. Documentary evidence has been submitted to demonstrate non-eligibility, non-availment, or absence of any preferential treatment.
  - viii. The petition and the initiation notification merely list thirteen programmes without demonstrating, with evidence, that any exporter actually received a financial contribution conferring a quantifiable benefit.
  - ix. The producers/exporters submit that the petition fails to establish: (i) a financial contribution by the Government of Vietnam or a public body; (ii) a benefit conferred; and (iii) specificity of the alleged programmes. The failure to establish these elements vitiates the initiation of the investigation and cannot be cured at a later stage.

- x. Vitaplas has submitted that the jurisprudence of the WTO Appellate Body has unequivocally established that domestic prices constitute the primary and preferred benchmark, and that recourse to out-of-country benchmarks is strictly residual in nature. In *US – Softwood Lumber IV*, Appellate Body Report, WT/DS257/AB/R (adopted 17th February 2004), paras 90–103, the Appellate Body held that private prices in the country of provision are the primary benchmark, and that out-of-country benchmarks may be used only where domestic prices are distorted. The Appellate Body expressly rejected any automatic or presumed rejection of domestic prices. This position was reinforced in *US – Countervailing Measures (China)* - WT/DS437/AB/R, *US – Carbon Steel (India)* - WT/DS436/AB/R.
- xi. The Authority has not demonstrated that it assessed the adequacy and accuracy of the evidence prior to initiation, as required under Article 11.3 of the SCM Agreement and Section 6 of the Indian CVD Rules. The respondents request the Authority to clarify the basis on which the petition was considered to contain sufficient evidence.
- xii. The producers/exporters further relied on WTO Panel findings, including *Mexico – Pipes and Tubes* and *Japan – DRAMs*, to submit that countervailing duties can only be imposed where there is evidence of ongoing subsidization and that general assertions, policy descriptions, or unsubstantiated claims do not meet the evidentiary threshold.
- xiii. It is further submitted that any determination regarding existence, benefit, or specificity of alleged subsidies must be based on a combined examination of exporters' questionnaire responses and the response filed by the Government of Vietnam. No adverse inference can be drawn without such correlated examination.
- xiv. The respondent submitted that rejection of its response on the ground of non-filing of the additional questionnaire response is unwarranted, as it had filed a complete questionnaire response and the information sought by the Authority had either already been furnished in the original questionnaire response or was not applicable to the company.
- xv. With regard to CaCO<sub>3</sub> details, the applicant submitted that CaCO<sub>3</sub> was the only raw material used for manufacture of the subject goods, and details of its consumption and purchase had already been provided in Section I(C) of the original questionnaire response. As regards export promotion incentive, grant or drawback, the applicant submitted that no such benefit was received during the POI for exports of the subject goods, and the same had already been confirmed in Section I(A)(7) of the original response.
- xvi. The respondent further submitted that it had not received any exemption on purchase of raw materials. All imported raw materials used by the company were subject to the general import-export tariff schedule under Vietnamese law, and no specific import duty exemption or preferential treatment was granted exclusively to enterprises engaged in manufacture of the subject goods. It was also submitted that import duty concessions under Free Trade Agreements are not countervailable, as such concessions are generally available to all enterprises satisfying the prescribed origin and FTA requirements and are not industry-specific or exclusive to the subject goods.
- xvii. With regard to capital goods and spares, the respondent submitted that it had not imported any capital goods or stores/spares and, therefore, no benefit under any such scheme was availed. As regards land-related benefits, the applicant submitted that it had not purchased land and had not participated in any Government programme providing land at below-market rates or granting land-related

- exemptions. The premises were stated to have been taken on rent from a private party.
- xviii. The respondent also submitted that it does not use water or gas in the manufacture of the subject goods. With regard to electricity, it submitted that electricity is purchased at arm's length prices applicable generally to all companies and that no electricity subsidy has been received.
- xix. As regards corporate tax, the respondent submitted that US Masterbatch JSC paid regular corporate income tax at the rate of 20% during the POI. It further submitted that US Masterbatch JSC – Hung Yen Branch availed 50% corporate income tax reduction in 2023, 2024 and 2025, and that copies of the relevant income tax returns of the producer and related trader had already been submitted with the original questionnaire response.
- xx. With respect to loans, the respondent submitted that all loans were obtained from commercial banks on arm's length terms and at normal banking rates. It further submitted that no loan was taken from the State Bank of Vietnam and, therefore, the alleged scheme was not applicable to the company. The respondent also stated that details of loans had already been provided at pages 28 to 30 of the original questionnaire response.
- xxi. The respondent finally submitted that several alleged schemes, including export incentives, raw material purchase exemptions, capital goods concessions, and water/gas benefits, were not countervailed in the Disclosure Statement dated 20th March 2026.
- xxii. The respondent submitted that rejection of the entire questionnaire response is contrary to the consistent practice of the Authority. It was submitted that in several investigations, where part of the information was found deficient or was not accepted, the Authority applied best information available only to the deficient portion and nevertheless granted individual duty margins.
- xxiii. In support, the respondent relied on the final findings in the anti-dumping investigation concerning imports of Aluminium and Zinc Coated Flat Products from China PR, Vietnam and Korea RP, wherein the Authority did not reject the complete response of M/s Nam Kim Steel despite non-submission of the practicing accountant's certificate. Instead, the Authority rejected only the claimed normal value and determined the same on the basis of best facts available.
- xxiv. Accordingly, the respondent submitted that even assuming there is any missing or deficient information, the complete response of US Masterbatch Group cannot be rejected in totality. The Authority may, at best, apply best information available only to the specific missing information, in accordance with the ASCM, past practice of the Authority and principles of natural justice.
- xxv. The respondent further submitted that both US Masterbatch Joint Stock Company and US Masterbatch Joint Stock Company – Hung Yen Branch are manufacturers of the subject goods and, therefore, requested that individual duty margins be granted to both companies.

## **F.2 Submissions by the domestic industry**

45. The domestic industry has made the following submission with regard to the subsidies and subsidy margin:
- i. The domestic industry submitted that the determination of countervailable subsidies in the present investigation is governed by the WTO Agreement on Subsidies and Countervailing Measures and the domestic legal framework

- contained in Section 9 of the Customs Tariff Act, 1975 read with the Countervailing Duty Rules.
- ii. In terms of Section 9(1) of the Customs Tariff Act, a subsidy is deemed to exist where a financial contribution is made by the government or a public body of the exporting country and a benefit is thereby conferred on the recipient. For a subsidy to be countervailed, the requirement of specificity must also be satisfied.
  - iii. Section 9(1) of the Customs Tariff Act expressly provides that a financial contribution may take the form of, inter alia, direct transfer of funds, government revenue foregone or not collected, provision of goods or services other than general infrastructure, purchase of goods, or income or price support that operates to increase exports or reduce imports, provided that a benefit is conferred.
  - iv. Rule 12 of the CVD Rules provides the methodology for calculation of the amount of countervailable subsidy. The Rule mandates that countervailable subsidies shall be calculated in terms of the benefit conferred on the recipient, as found to exist during the period of investigation.
  - v. Based on publicly available information, the domestic industry made detailed and programme-specific submissions in the petition seeking initiation of the present countervailing duty investigation. These submissions identified the nature of the alleged subsidy programmes, the legal basis under Vietnamese law, the manner in which financial contribution was made by the Government of Vietnam, and the benefit conferred on the producers/exporters of the subject goods.
  - vi. The petition and the benchmark submissions were supported by publicly available documents, government notifications, policy documents, and secondary evidence, and were sufficient to establish the existence of financial contribution, benefit, and specificity for the purposes of initiation and investigation.
  - vii. The investigation has progressed beyond the initiation stage and that the determination of subsidization must now be based on a detailed examination of exporters' questionnaire responses, the response filed by the Government of Vietnam, and verification of information on record, in accordance with the CVD Rules.

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

46. The Authority has examined the submissions made by various interested parties regarding the determination of subsidies and subsidy margin. The Authority notes that under Section 9(1) of the Customs Tariff Act, 1975, read with the CVD Rules, a subsidy is deemed to exist where financial contribution is made by the government, conferring a benefit to the recipient. Further, for a subsidy to be countervailed, it should fulfill the requirements of specificity.
47. The Authority notes that, for the purpose of determining subsidization and subsidy margin, it has relied upon:
  - (i) the information and evidence filed by the domestic industry in the petition and subsequent submissions, including benchmark submissions;
  - (ii) the questionnaire responses/additional questionnaire response and supporting documents filed by the participating producers/exporters; and
  - (iii) the response and information provided by the Government of Vietnam through the Trade Remedies Authority of Vietnam (TRAV), along with the verification and examination carried out by the Authority during the course of investigation.
48. The Authority further notes that the record in the present investigation contains

information from all cooperating parties relevant to examination of the constitutive elements of subsidization.

49. The Authority notes that the exporters' contentions regarding programme-wise non-eligibility, non-availment, market-based transactions, and the alleged non-countervailable nature of certain schemes raise issues that require programme-specific examination. The Authority considers that these issues cannot be concluded on the basis of general assertions and must be assessed in light of verified information on record.
50. Accordingly, the Authority has examined the alleged subsidy programmes, the evidence placed on record by the domestic industry, the information filed by the cooperating producers/exporters, and the response filed by TRAV, for the purpose of determining whether countervailable subsidies exist and for quantification of subsidy margin. The Authority's programme-wise examination, including examination of benchmarks and benefit calculations, has been set out in the subsequent paragraphs under the relevant programme headings.
51. The Authority has therefore proceeded to determine subsidization and subsidy margin on the basis of the information available, consistent with the requirements of the CVD Rules.
52. The Authority finds that wherever the level of cooperation by Vietnamese producers/exporters has been satisfactory, the Authority has considered the information provided by cooperating producers/exporters for determination of individual subsidy margins.
53. US Masterbatch Joint Stock Company and US Masterbatch Joint Stock Company – Hung Yen Branch (exporters) have submitted that they have filed complete questionnaire response. It is noted that the exporters have filed the information relating to raw material, land, electricity, corporate income tax and loan in their original questionnaire response. The exporters have also claimed in their original questionnaire response that they have not availed any export promotion incentive, not availed specific import duty exemptions on imported raw material / capital goods and not imported capital goods / stores. The Authority has examined the questionnaire response filed by the exporters and notes that the information relevant for the determination of the margins for the schemes countervailed by the Authority were filed by the exporters in the original questionnaire response. Therefore, it is decided to grant individual margin to the exporters.

**I. List of schemes identified in the form of provision of goods/services for Less Than Adequate Remuneration ("LTAR")**

- **Program 1** - Supply of Limestone at LTAR
- **Program 12** - Provision of Natural Gas/Electricity/Coal for Power Consumption at LTAR
- **Program 13** - Government Provision of Land at LTAR And Exemption/ Reduction of Land and Water Rent

**II. List of schemes identified in the form of tax exemptions and rebates**

- **Program 3** - Exemption on Corporate Income Tax for Enterprise
- **Program 4** - Import Duty Exemption

**III. List of schemes identified in the form of interest rate subsidies**

- **Program 5** - Preferential Lending for Investor

- **Program 7** - Preferential Lending to the Exporter
- **Program 8** - Interest Rate of Investment Credit Loans
- **Program 9** - Investment Support on Investors who Invested on establishing small and medium enterprises
- **Program 10** - Export Credit from Vietnam Development Bank (“VDB”)
- **Program 11** - Financial Guarantee by Vietin Bank

#### **IV. List of schemes identified in the form of other financial incentives**

- **Program 2** -Masterplan For Development of Vietnam
- **Program 6** -Export Promotion Program

54. Post initiation, the producers/ exporters of the subject goods were advised to file response to the questionnaire and additional questionnaire in the form and manner prescribed and were given adequate time and opportunity to provide verifiable evidence on the existence, degree and effect of the alleged subsidy program for making an appropriate determination of existence and quantum of such subsidies, if any.
55. The Authority notes that the following exporters of the subject goods have filed exporter’s questionnaire responses:
- i) European Plastic Joint Stock Company
  - ii) Polyfill Joint Stock Company
  - iii) Nghe An European Plastic One Member Limited Liability Company
  - iv) Yen Bai European Plastic Joint Stock Company
  - v) A Dong Plastic Joint Stock Company
  - vi) Vitaplas Joint Stock Company
  - vii) An Tien Industries Joint Stock Company
  - viii) Filler Masterbatch Joint Stock Company
  - ix) Vietnam Industrial Minerals International Joint Stock Company
56. Article VI of the General Agreement on Tariffs and Trade, 1994 (“GATT”) read with Article 19 of the Agreement on Subsidies and Countervailing Measures (“SCM”) allows importing countries to impose a countervailing duty on subsidized imported goods.
57. Accordingly, Section 9 of the Customs Tariff Act allows the Central Government to impose a countervailing duty on subsidized imports. Section 9(1) of the Customs Tariff Act states as follows:
- (1) Where any country or territory pays, bestows, directly or indirectly, any subsidy upon the manufacture or production therein or the exportation therefrom of any article including any subsidy on transportation of such article, then, upon the importation of any such article into India, whether the same is imported directly from the country of manufacture, production or otherwise, and whether it is imported in the same condition as when exported from the country of manufacture or production or has been changed in condition by manufacture, production or otherwise, the Central Government may, by notification in the Official Gazette, impose a countervailing duty not exceeding the amount of such subsidy.*
58. The Explanation to Section 9(1) of the Customs Tariff Act contains the same language of Article 1 of the SCM, which defines a ‘subsidy’ for the purposes of a countervailing duty

investigation. It states that a subsidy shall be deemed to exist if:

- “(a) there is financial contribution by a Government, or any public body in the exporting or producing country or territory, that is, where –*
- (i) a Government practice involves a direct transfer of funds (including grants, loans and equity infusion), or potential direct transfer of funds or liabilities, or both;*
  - (ii) Government revenue that is otherwise due is foregone or not collected (including fiscal incentives);*
  - (iii) a Government provides goods or services other than general infrastructure or purchases goods;*
  - (iv) a Government makes payments to a funding mechanism, or entrusts or directs a private body to carry out one or more of the type of functions specified in clauses (i) to (iii) above which would normally be vested in the Government and the practice in, no real sense, differs from practices normally followed by Governments; or*
- (b) a Government grants or maintains any form of income or price support, which operates directly or indirectly to increase export of any article from, or to reduce import of any article into, its territory, and a benefit is thereby conferred.”*

59. Additionally, Section 9(3) read with section 9(1) and section 9 (2) of the Customs Tariff Act suggests that for a subsidy to be countervailable, it must be for a limited number of persons engaged in the manufacture, production or export of articles.

60. Rule 7(8) of the CVD Rules allows the Authority to rely on ‘facts available’ in the event the exporters fail to cooperate in the investigation. In this regard, it states:

*“In a case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the designated authority may record its findings on the basis of facts available to it and make such recommendations to the Central Government as it deems fit under such circumstance.”*

### **F.3.1 Programs Found to be Countervailable**

#### **List of schemes identified in the form of provision of goods/services for Less Than Adequate Remuneration (“LTAR”)**

##### **Program 1 - Supply of Limestone at LTAR**

61. The other interested parties have made the following submissions with respect to this:

- i. The allegation of “supply of limestone at less than adequate remuneration” is either not applicable to individual entities on facts or not a countervailable subsidy in law.
- ii. The domestic industry has not discharged the burden of establishing the essential elements of a countervailable subsidy, namely financial contribution, benefit, and specificity, and has also proposed an incorrect benchmark for examining adequacy of remuneration.
- iii. One responding producer/exporter submitted that the alleged programme does not apply to it because it does not purchase limestone in lump form at all. It submitted

- that it procures commercially available calcium carbonate (CaCO<sub>3</sub>) powder from independent suppliers at market prices, supported by purchase invoices, long-term purchase agreements and supplier certificates. It submitted that it does not have any facility to convert limestone into CaCO<sub>3</sub> powder and, therefore, the alleged “limestone export tax” cannot be linked to its raw material procurement or production methods.
- iv. The said party further submitted that the domestic industry’s allegation is factually misplaced because the product purchased by it is CaCO<sub>3</sub> powder classifiable under HS 2517.41.00.10, whereas limestone is covered under HS 2521 00 00.
  - v. It submitted that CaCO<sub>3</sub> powder is subject to export tax of 5%, which has remained unchanged during the POI, and contended that it is illogical to assume that such export tax on CaCO<sub>3</sub> powder could depress domestic prices to the advantage of downstream producers.
  - vi. It also submitted that the CaCO<sub>3</sub> powder supplied to it is produced from white stone/marble and not from limestone, and therefore the Government of Vietnam has not made available the relevant input at LTAR to it. On this basis, it submitted that the programme should be treated as not applicable to it.
  - vii. Other parties submitted that the domestic industry has failed to provide any evidence to establish that Vietnam’s export tax on limestone constitutes a subsidy under Article 1.1 of the SCM Agreement. They submitted that a subsidy requires (i) a financial contribution by the government or public body and (ii) a benefit conferred, and further that the subsidy must be specific under Article 2 to be countervailable.
  - viii. They submitted that the domestic industry has not provided evidence satisfying these requirements and, in particular, has not established that an export tax can be equated to a government financial contribution.
  - ix. They submitted that an export tax or levy is a regulatory fiscal measure and does not involve any transfer of funds, government revenue foregone, or government provision of goods to enterprises. They submit that the theory advanced by the domestic industry that an export tax allegedly creates surplus domestic supply and hence lowers domestic prices cannot be treated as a government “financial contribution” and cannot substitute for proof of governmental action amounting to a financial contribution under the SCM Agreement and CVD Rules.
  - x. In support, reliance was placed on WTO jurisprudence to submit that the reaction of private entities to a government measure, or the economic effects of regulation (including export restraints/taxes), cannot by itself establish “entrustment or direction” or a “financial contribution” under Article 1.1(a)(1)(iv) of the SCM. They relied on the reasoning in WTO disputes cited by them, including US – Export Restraints (DS194) and US – Softwood Lumber, to submit that export restraints or taxes cannot be treated as government-entrusted or directed provision of goods and that entrustment/direction requires a demonstrable governmental link to private conduct, not merely market effects.
  - xi. They also relied on WTO panel reports cited by them, including European Union – Countervailing Duties on Imports of Biodiesel from Indonesia (DS618) and European Union – Countervailing and Anti-Dumping Duties on Stainless Steel Cold-Rolled Flat Products from Indonesia (DS616), to submit that entrustment/direction requires evidence of government action that effectively denies suppliers the freedom to sell freely and that mere regulatory intervention or export measures affecting domestic pricing or supply is insufficient.
  - xii. They submitted that limestone suppliers in Vietnam retain commercial discretion to sell domestically or export, to sell to multiple sectors, and are not mandated to

- provide limestone to producers of the product under consideration or at any particular price, thereby failing the “demonstrable link” test.
- xiii. The other interested parties further submitted that, even assuming *arguendo* the existence of a financial contribution, the domestic industry has not demonstrated that any benefit was conferred on producers of the subject goods. They relied on WTO jurisprudence to submit that benefit must be shown to be actually received by a recipient and must be examined both in nature and extent.
- xiv. They contended that the domestic industry has not provided evidence showing that any producer procured limestone at below-market prices during the POI compared to an appropriate benchmark, or that the export tax resulted in actual reduction of input cost for the producers of the subject goods.
- xv. With respect to specificity, the other interested parties submitted that limestone is a multi-use mineral used across numerous sectors (including cement, steel, mining, paper, water treatment and other industries) and therefore any export tax measure cannot be presumed to be limited to or designed for the benefit of PUC producers.
- xvi. They contended that there is no explicit limitation of access to any alleged benefit to certain enterprises or industries within the meaning of Article 2 of the SCM Agreement. They further submitted that, in terms of Article 8.1, a non-specific subsidy is non-actionable and cannot be countervailed.
- xvii. The Government of Vietnam, through TRAV, has also submitted that the allegation does not constitute a subsidy programme under the SCM Agreement. It submitted that an export tax is a fiscal regulatory measure and does not fall within the exhaustive list of “financial contributions” under Article 1.1(a)(1) and that the Government does not provide limestone, control domestic pricing, or supply limestone at a discount.
- xviii. It submitted that, in the absence of a financial contribution, there can be no subsidy, and therefore no countervailing duty can be imposed under the alleged programme. It further submitted that no WTO Member investigating authority has treated an export tax as a subsidy in an anti-subsidy investigation.
- xix. Certain producers/exporters submitted that their raw material procurement is from private suppliers at arm’s length, at prices determined through competitive negotiations in a competitive market. They submitted that there is no government intervention in purchase transactions and, therefore, the test of benefit under Article 14(d) is not satisfied. They further submitted that DGTR’s past practice recognises that market-based purchases cannot be treated as countervailable subsidies.
- xx. The other interested parties submitted that the domestic industry’s benchmark proposal is flawed. They submitted that the domestic industry proposes to use Malaysia FOB export prices for HS 2521, which covers a heterogeneous basket of calcareous products and not necessarily comparable limestone lumps relevant to the producers’ input.
- xxi. They submitted that the domestic industry’s own benchmark data contains extreme outliers across destinations, which indicates product mix, misclassification, or other distortions, and cannot be treated as “prevailing market conditions” under Article 14(d). They also submitted that the export tax alleged by the domestic industry applies to limestone (HS 2521) and not to processed CaCO<sub>3</sub> products (HS 2517 / 3824), and therefore any attempt to benchmark or compute benefit using CaCO<sub>3</sub> prices is legally impermissible.
- xxii. In place of Malaysia FOB benchmarks, one responding exporter submitted that an appropriate benchmark would be Indian import prices of limestone lumps, stated to be the precise form procured by a responding exporter.

- xxiii. For this purpose, interested party has provided a transaction-wise summary of imports into India during the POI, showing an average import price from United Arab Emirates accounting major source of supply with smaller volume from other countries. On this basis, it submitted that UAE prices are representative of prevailing international prices.
- xxiv. The interested parties also submitted that the stated rationale for Vietnam's export duty on limestone is resource conservation and prevention of over-exploitation of natural resources, and not to ensure supply at LTAR. They submitted that the Government does not itself supply limestone and that limestone is supplied by private vendors.
- xxv. They further submitted that limestone is naturally occurring and is also available in India, and that India imports limestone from several countries, which can serve as a verifiable benchmark, and that reliance on third-country export price data is unwarranted.
- xxvi. Certain interested parties submitted that any attempt to infer a pass-through from upstream measures on limestone to downstream pricing of CaCO<sub>3</sub> or masterbatch is speculative. They submitted that an export tax could, depending on market conditions, lead to different price outcomes and that no empirical evidence has been provided demonstrating sustained domestic suppression relative to an undistorted benchmark after appropriate adjustments. They further submitted that any pass-through analysis is not automatic and must be supported by evidence, which is absent.
- xxvii. The other interested parties submitted that, for the purpose of benefit computation, it is not permissible to compute benefit against CaCO<sub>3</sub> when the alleged measure pertains only to limestone, and that benefit, if any, must be tested only against limestone lumps. They contended that there is no allegation regarding direct provision of CaCO<sub>3</sub> by the Government and therefore no benefit can be computed against CaCO<sub>3</sub>.
- xxviii. On the basis of the above, the other interested parties request the Authority to reject the domestic industry's allegations under this programme, to reject the benchmark proposed by the domestic industry, and to determine that the alleged measure does not constitute a countervailable subsidy and/or is not applicable to the responding producers/exporters.
- xxix. The GOV respectfully submits that the DGTR's findings are inconsistent with Articles 1, 2, and 14(d) of the SCM Agreement. The GOV respectfully disagrees with the conclusion that the alleged program is specific to downstream industries using limestone or calcium carbonate as principal raw materials. Limestone is a widely used multi-purpose mineral consumed across numerous industries, including cement, steel, paper, plastics, paints, rubber, water treatment, mining, construction, fertilizers, food, pharmaceuticals, and other sectors. Decree No. 26/2023/ND-CP is a generally applicable resource management measure applicable to all entities engaged in the extraction and export of limestone and does not provide any benefit exclusively to the masterbatch or PUC sectors.
- xxx. The policy objective of the measure is the conservation of natural resources, the prevention of over-exploitation and depletion of non-renewable resources, environmental protection, and sustainable development, rather than the provision of targeted support to downstream industries. Accordingly, the GOV respectfully submits that the program does not exhibit either de jure or de facto specificity within the meaning of Article 2 of the SCM Agreement.
- xxxi. The GOV further respectfully submits that no "financial contribution" exists within the meaning of Article 1.1(a)(1)(iv) of the SCM Agreement. The interpretation

adopted by the DGTR appears to equate export duties and regulatory measures with “entrustment or direction” of private bodies and directly contradicts established WTO jurisprudence, including United States – Export Restraints and European Union – Countervailing Duties on Biodiesel from Indonesia. These WTO reports confirm that export restraints or export duties do not constitute government entrustment or direction merely because they may affect market conditions. The GOV further notes that, although the Panel Report in European Union – Countervailing Duties on Biodiesel from Indonesia is currently subject to an “appeal into the void,” the report remains the most recent and authoritative interpretation of Article 1.1(a)(1)(iv) of the SCM Agreement. Since the Appellate Body is non-operational, such appeals do not invalidate or overturn panel findings, and WTO Members have continued to rely on reports under “appeal into the void” as persuasive legal authority.

- xxxii. The limestone suppliers retain full commercial discretion regarding pricing, customers, and sales. Any domestic price effects therefore reflect ordinary market dynamics rather than government delegation or command through evidence-based economic analysis. The DGTR did not conduct a pass-through analysis, regression analysis, cost build-up analysis, or transaction-level comparison demonstrating that export duties on limestone translated into lower prices for processed calcium carbonate powder.
- xxxiii. The GOV further respectfully submits that limestone and processed calcium carbonate powder are distinct products with different classifications, production processes, characteristics, cost structures, and end uses. Limestone is a raw natural mineral primarily used in cement and steel industries, whereas calcium carbonate powder is a processed industrial product requiring crushing, grinding, classification, drying, packaging, surface treatment, and quality control for use in plastics, paints, paper, and masterbatch production. Export duties apply only to raw limestone and not to processed calcium carbonate products. The GOV therefore respectfully submits that the DGTR improperly conflated raw limestone with processed calcium carbonate products and assumed, without sufficient evidentiary basis, that any alleged upstream distortion is automatically transmitted to downstream products. The GOV further notes that the DGTR effectively adopted a multi-layer pass-through theory without conducting any pass-through analysis at any level, contrary to Articles 1.1(b) and 14(d) of the SCM Agreement and established WTO jurisprudence.
- xxxiv. The Malaysian benchmark selected by the DGTR concerns chemically processed calcium carbonate products classified under HS code 283650, whereas Vietnamese producers use natural ground calcium carbonate classified under HS code 251741. These products differ materially in production methods, characteristics, cost structures, purity levels, and market uses. The GOV therefore respectfully submits that the selected benchmark does not appropriately reflect prevailing market conditions in Viet Nam and results in a distorted comparison and an inflated calculation of the alleged benefit. The GOV further notes that the DGTR did not sufficiently demonstrate comparability in terms of quality, production conditions, economies of scale, logistics, trade patterns, or competitive conditions between Malaysia and Viet Nam.
- xxxv. The GOV also respectfully notes that, given India’s formal recognition of Viet Nam as a market economy, the DGTR is not entitled to reject domestic prices and replace them with surrogate out-of-country benchmarks. Such an approach is inconsistent with the recognition of Viet Nam as a market economy and effectively amounts to the application of a surrogate-value methodology, which is not permissible in this context.

- xxxvi. The respondents submitted that the alleged export tax on limestone cannot be treated as a countervailable subsidy, as it does not constitute a “financial contribution” under Article 1.1(a)(1)(iv) of the SCM Agreement. There is no evidence that the Government of Vietnam entrusted or directed private suppliers to provide limestone or calcium carbonate to producers of the subject goods at a particular price. Mere export restraint or market effect of a regulatory measure cannot be equated with Government direction, as recognised in WTO jurisprudence.
- xxxvii. The respondents further submitted that the Authority has not established any “benefit”, since no transaction-level analysis, cost analysis or company-specific examination was conducted to show that inputs were procured below prevailing market prices. Companies such as VMI, Vitaplas and ADC stated that their calcium carbonate inputs were purchased from independent private suppliers on arm’s length, commercially negotiated terms, without Government involvement or preferential treatment.
- xxxviii. A major objection concerns the incorrect treatment of limestone lumps and calcium carbonate powder as the same product. The respondents submitted that limestone lumps are raw mineral rocks, whereas CaCO<sub>3</sub> powder is a processed, value-added industrial input, with different HS classifications, characteristics, impurity levels, uses and prices. Since the alleged export tax applies to limestone and not to CaCO<sub>3</sub> powder, CaCO<sub>3</sub> cannot be used as the relevant benchmark where the producer has used limestone lumps.
- xxxix. The Disclosure Statement dated 20.03.2026 is not compliant with Rule 18 of the Subsidy Rules as evidenced from the following facts. The disclosure statement is woefully silent on many of the key issues raised by the respondents. Some of the key issues include:
- a) Test of “Entrustment” / “Direction” provided in Section 9 of the Customs Tariff Act, 1975 and Article 1.1(a)(1)(iv) of ASCM to consider export tax as financial contribution has not been carried out.
  - b) The disclosure statement dated 20.03.2026 has not examined the issue that economic effects cannot be conflated as the government "giving responsibility to (Entrustment)" or "exercising authority over (Direction)" a private body to provide goods. A reaction of the private entities to a government measure (like export tax) cannot be the basis of a determination of financial contribution by the government.
  - c) No evidence provided or proposal made in the Disclosure Statement dated 20.03.2026 to show that the Government of Vietnam directed the suppliers of Limestone Lumps to provide Limestone Lumps to the manufacturers of the subject goods or at a particular price.
  - d) The suppliers of Limestone Lumps have complete freedom to sell their products in the domestic market to the manufactures of subject goods / non-subject goods / downstream industries, captive use or exports.
  - e) Following WTO Appellate Body and Panel Reports clearly established that entrustment/direction requires more than mere regulatory intervention affecting private behaviour, there must be evidence of government action whose object is to impose a "type of function" on private bodies, denying them freedom to operate commercially. General economic effects, such as export restraints influencing domestic supply or pricing, do not suffice, as "a government would not be considered to entrust or direct a private party in situations where a private party's behavior is merely affected by the regulatory framework in which it operates.
- a) Appellate Body Report in US – Countervailing Duty on DRAMS

- b) WTO Panel Report (WT/DS618/R dated 22 August 2025) - European Union – Countervailing Duties on Imports of Biodiesel from Indonesia
  - c) WTO Panel Report (WT/DS616/R dated 02 October 2025) - European Union – Countervailing and Anti-Dumping Duties on Stainless Steel Cold-Rolled Flat Products from Indonesia”
- f) Findings of the Australian Commission in the case of Aluminium Zinc Coated Steel of a Width Equal to or Greater Than 600 Millimetres from Vietnam has not been examined in the Disclosure Statement dated 20.03.2026, despite the fact that it is directly applicable to the facts and issues involved in this case.
- g) “Explicit” test to consider export tax as specific has not been carried out.
- xl. Without prejudice to the aforesaid, most of the key issues raised by the respondents have not been properly examined or addressed in the disclosure statement dated 20.03.2026, which the Authority is obligated to do under the Rules.
- xli. The respondent submitted that the benchmark adopted by the Authority is fundamentally flawed, as the respondent used limestone lumps for manufacture of the PUC and not CaCO<sub>3</sub> powder. Once the Authority itself recognised that benchmarking must be undertaken with reference to the “relevant good” under Article 14(d), the relevant good in the present case ought to have been limestone lumps, particularly when the alleged export restriction / tax is on limestone and not on calcium carbonate.
- xlii. It was further submitted that the Disclosure Statement dated 20.03.2026 itself records that where a producer purchases CaCO<sub>3</sub> powder, a CaCO<sub>3</sub> benchmark may be appropriate, and where a producer uses limestone lumps, a limestone-based benchmark is required. Despite this admitted position, the Authority proposed to apply Malaysian CaCO<sub>3</sub> export prices to the respondent, apparently on the incorrect assumption that all participating exporters purchased CaCO<sub>3</sub> powder directly. Since the respondent admittedly used limestone lumps, adoption of CaCO<sub>3</sub> as benchmark is factually incorrect and legally unsustainable.
- xliii. The respondent also submitted that limestone lumps and CaCO<sub>3</sub> are distinct products. Limestone is a natural rock containing impurities, whereas CaCO<sub>3</sub> is a processed, value-added chemical product. They fall under different HS classifications, have different characteristics, processing levels and prices, and the domestic industry itself provided separate Malaysian FOB benchmarks for limestone and CaCO<sub>3</sub>. Therefore, CaCO<sub>3</sub> cannot be treated as the relevant benchmark merely because both may contain calcium carbonate.
- xliv. Accordingly, since the allegation concerns provision of limestone lumps at less than adequate remuneration and not provision of CaCO<sub>3</sub>, the subsidy margin, if any, must be determined only with reference to limestone lumps. At the highest, only the limestone component embedded in processed CaCO<sub>3</sub>, after appropriate adjustment for processing costs, could be considered. The use of CaCO<sub>3</sub> benchmark without such adjustment is therefore erroneous in principle, fact and law.

#### **UAE wrongly rejected as benchmark**

- xlv. Further, in paragraph 121 itself, the Authority observes “*that the import of limestone from UAE is primarily used for steel industry and cement industry and not by the PUC producers*”. It is submitted that the said statement is not based on any concrete

information or analysis but it seems that the Authority has chosen to accept the contention of the domestic industry without seeking any substantiation or supporting evidence. The respondent submits as follows in this context:

- a) The Imports of Limestone Lumps from UAE is also used in the manufacture of the subject goods. The applicant industry has not provided any evidence to show that Limestone Lumps imported from UAE is not used for the manufacture of the subject goods.
- b) The adjustments claimed in the CIF price to determine the FOB price are either taken based on the application or as per the consistent practice followed by the Authority.
- c) The Authority may, at best, apply the best available information on the missing information and cannot totally reject the eight-digit level transaction wise segregated imports data submitted by the respondent which is also validated by the eight-digit level import data available on the website of the Ministry of Commerce.

xlvi. Without prejudice, the Authority may consider average import prices to India of Limestone Lumps from all sources after making appropriate adjustments. The Authority may consider the eight-digit level transaction-wise import data of Limestone Lump duly corroborated with the Ministry of Commerce data for the purpose of benchmarking.

xlvii. Without prejudice, it is submitted that even if the prices from UAE to India are not found acceptable by the Authority for benchmarking purposes of limestone lumps, there is no reason as to why the Authority should ignore the data filed by the respondent with respect to the "relevant good" i.e., limestone lumps on which it is alleged that countervailable subsidy has been provided by the Vietnam government.

xlviii. It may not be out of place to mention that it is clear from the disclosure statement dated 20.03.2026 that the Authority has no difficulty in accepting the specific import data supplied by the exporter for limestone lumps at the 8-digit level for the relevant good i.e., limestone lumps except its apprehension that such data may understate the "true economic value" of the actual input used by the PUC producers in the absence of "appropriate processing adjustments and verifiable evidence supporting each cost deduction". With respect, it is submitted that the above statement is bereft of any factual substance for the following reasons:

- a) Malaysia FOB export prices for products classified at the 4-digit HS Code 2521 level, which aggregates limestone, limestone flux and other calcareous stones used, inter alia, for manufacture of lime or cement.
- b) The cited FOB prices, range from about USD 28/MT to USD 5143672/MT, relate to a broad, heterogeneous product basket that is neither identical nor even sufficiently comparable to the material relevant to the subject goods
- c) Reasons for rejecting the respondent's proposal to consider the eight-digit level segregated transaction wise Indian import data of Limestone Lumps duly validated by the eight-digit level import data available on the website of Ministry of Commerce for determining benchmark are superficial.
- d) A comparative summary of the import data procured by the respondent from secondary source, import data available on the website of Ministry of commerce and trade map data filed by the applicant industry vide our submissions dated 10 March, 2026 shows that the raw / unsegregated import data reported on the website of Ministry of Commerce including limestone lump is comparable to the raw / unsegregated import data submitted by the respondent. The average price of major suppliers (countries) is also in the same range.

- e) The proposed data is at the 8-digit level as against the data proposed to be used by the Authority which is at the 4-digit level and includes limestone, limestone flux and other calcareous stones used, inter alia, for manufacture of lime or cement.
- f) The data provided by the exporter has been fully corroborated by the information available on the website of the Ministry of Commerce & Industry.
- g) The Authority's observation that there is no "verifiable evidence in respect of processing adjustments", is completely incomprehensible as the data itself relates to the relevant product namely, limestone lumps and, therefore, there is no question of making any processing adjustments whatsoever.

**Four-digit level FOB export price from Malaysia of Limestone Lumps to India claimed by the applicant industry is higher than the CIF import price from Malaysia of Limestone Lumps to India**

- xlix. It may not be out of place to mention that the Authority's proposal to take the data at the 4-digit level (raw / unsegregated import data from Trade Map) has led to an absurd proposition wherein the proposed benchmark of FOB price from Malaysia to India is USD 43/MT while the segregated transaction wise data for the "relevant good" i.e., Limestone Lumps at the 8-digit level shows the CIF price of imports from Malaysia itself as about USD 41/MT. It may be noted that the CIF import price from Malaysia of Limestone Lumps to India claimed by the respondent is based on eight-digit level transaction-wise segregated import data which is duly corroborated with import data from Ministry of Commerce.
- l. It also clearly shows that the four digit level raw / unsegregated FOB data taken from Trade Map by the applicant industry is incorrect and cannot be relied upon as it includes heterogeneous products.

**Proposal made in the Disclosure Statement dated 20.03.2026 to consider export price from Malaysia as an appropriate benchmark is wrong and misplaced**

- li. The proposal made in the Disclosure Statement to consider Malaysian export price as appropriate benchmark on the ground that external benchmark most reasonably reflects undistorted prevailing market conditions for the relevant good, after suitable adjustments, is completely misplaced and erroneous. It may be noted that in plethora of investigations, the Hon'ble Authority has considered the international prices and not the prices prevailing in the neighboring country. The list of the illustrative cases is provided below for the ease of reference of the Authority.

Sl. No	Name of Investigation	F. No. & Date	Benchmark Considered	Comment
1	Fiberboards from Indonesia, Malaysia, Thailand, Vietnam and Sri Lanka	F. No. 06/17/2019-DGTR dated 03 May 2021	Para 71 of FF - Export price of log from New Zealand has been considered as an appropriate benchmark being the largest exporter.	International prices considered and not the price prevailing in the neighboring country of
2	Atrazine Technical from China PR	F. No. 6/19/2018-DGAD 22	Para 56 – International prices of Cyanuric chloride and Caustic soda considered as an appropriate	

		August, 2019	benchmark price.	the subject
3	Saturated Fatty	F. No.	Para 56 - CPKO CIF Rotterdam prices have been considered as an appropriate international benchmark price.	country
	Alcohol from Indonesia, Malaysia, and Thailand	6/18/2021-DGTR dated 07 February 2023		

- iii. The Limestone subsidy margin proposed in the disclosure statement dated 20.03.2026 based on the misleading information filed by the applicant industry is incorrect as CaCO<sub>3</sub> benchmark has been considered instead of Limestone benchmark.
- liii. An Tien has submitted that the Domestic Industry has proposed a Benchmark Price both for Limestone Lumps as well as CaCO<sub>3</sub> which happens to be more than three times the purchase price even though the extent of alleged subsidization in the form of export tax is a mere 30%. Even assuming but not accepting that the entire extent of export tax of 30% can be considered as countervailable subsidy (which indeed would be in stark contradiction to the established jurisprudence on the issue), the benchmarking price of more than 300%, would be ex facie absurd. Unfortunately, the disclosure statement dated 20.03.2026 seems to have ignored this basic fact and allowed itself to be completely misled by the Domestic Industry. This reinforces our averment that even if the export tax is to be considered as countervailable subsidy, the benchmarking has to be done only and only for the “relevant good”, which in this case is Limestone Lumps and NOT CaCO<sub>3</sub>. Unfortunately, this position has been enunciated by the Authority itself in paragraph 116 but not followed while proposing the benchmark price.

62. The following submissions have been made on behalf of the domestic industry:

- i. The domestic industry submitted that limestone is the primary raw material used for manufacturing calcium carbonate (CaCO<sub>3</sub>), which constitutes approximately 70–85% of the total raw material input used in the production of the PUC.
- ii. It submitted that, as per the WTO Trade Policy Review of Vietnam, the Government of Vietnam levies export taxes on certain products, including minerals. In this regard, Vietnam has imposed export taxes on limestone under Decree No. 26/2023/ND-CP.
- iii. Limestones are classified under HSN Code 2521 00 00, covering limestone-based melting agents and other calcareous stones used for the manufacture of lime or cement. The applicable export tax rates imposed by Vietnam on limestone have increased progressively over time and are tabulated as follows:

Period	Rate of Export Tax
01-01-2020 to 30-06-2022	17%
01-07-2022 to 30-06-2023	20%
01-07-2023 to 30-06-2024	25%
01-07-2024 onwards	30%

- iv. The domestic industry submitted that the imposition of increasing export taxes discourages exports of limestone from Vietnam and restricts its availability in international markets. This results in increased domestic supply and downward pressure on domestic prices of limestone and limestone-derived calcium carbonate in Vietnam.
- v. It is submitted that the Government of Vietnam has acknowledged that the objective of the export tax policy is to regulate exports, conserve natural resources, and

- improve efficiency of downstream industries using limestone domestically. The policy framework is aimed at limiting exports of raw and unprocessed minerals and promoting downstream value addition within Vietnam.
- vi. Through the export tax regime and associated regulatory framework, limestone is made available to domestic downstream producers, including producers of the PUC, at prices below international levels. This constitutes provision of goods at less than adequate remuneration within the meaning of Article 14(d) of the SCM Agreement and Rule 12(2)(d) of the CVD Rules.
  - vii. The domestic industry noted that the Respondents have argued that financial contribution, benefit, and specificity have not been established and have relied on WTO panel reports to contend that export taxes or restraints cannot amount to a financial contribution merely based on market effects. They have also challenged the benchmark proposed by the domestic industry and proposed alternate benchmarks based on Indian import prices or UAE prices with adjustments.
  - viii. The domestic industry submitted that, under Article 1.1 of the SCM Agreement, a subsidy exists where a government makes a financial contribution and a benefit is conferred. In terms of Article 1.1(a)(1)(iv), a financial contribution may arise where a government entrusts or directs a private body to carry out functions such as provision of goods, even indirectly, where the practice does not meaningfully differ from typical government practices.
  - ix. It submitted that an export tax discourages exports by increasing their cost, diverts supply to the domestic market, and suppresses domestic prices below international market levels. In such circumstances, the government effectively entrusts or directs private suppliers to supply the product domestically at suppressed prices, resulting in provision of goods at LTAR to downstream users.
  - x. The domestic industry submitted that export taxes are often instruments of a broader policy framework aimed at retaining raw materials domestically, stabilizing domestic prices, and promoting downstream value-added industries. In Vietnam, limestone is subject to licensing, extraction controls, and export regulation, which collectively influence domestic supply and pricing conditions.
  - xi. Where government policy is designed, explicitly or implicitly, to promote domestic downstream industries by ensuring availability of raw materials at lower or stabilized prices, the Authority is required to examine whether such intervention results in domestic prices that no longer reflect prevailing market conditions, as required under Article 14(d).
  - xii. The domestic industry submitted that the reliance placed by the Respondents on WTO jurisprudence to argue that export taxes can never amount to a financial contribution is misplaced. WTO panels have consistently held that subsidy determinations are fact-specific and depend on the design, operation, and effects of the measures concerned.
  - xiii. The domestic industry relied on the Authority's own settled practice. In the countervailing duty investigation concerning Digital Offset Printing Plates, the Authority examined export restraints on an upstream raw material and held that export tariffs and fiscal measures discouraged exports, increased domestic supply, suppressed domestic prices, and resulted in provision of goods at LTAR to downstream industries.
  - xiv. In that investigation, the Authority rejected the argument that no subsidy could exist merely because inputs were purchased from private suppliers. The Authority held that government intervention through export tariffs and fiscal policies can distort domestic pricing and confer a benefit, irrespective of the identity of the supplier.

- xv. Similar findings were recorded by the Authority in investigations concerning Saturated Fatty Alcohol and Continuous Cast Copper Wire Rods, where export restraints on upstream raw materials were treated as countervailable subsidies.
- xvi. The domestic industry submitted that the same legal principles apply in the present investigation. Vietnam's export tax regime on limestone is designed to retain mineral resources domestically and promote downstream industries, thereby distorting domestic pricing of limestone-derived calcium carbonate.
- xvii. The objection raised by certain parties that the program is not applicable because they do not purchase limestone lumps but instead purchase calcium carbonate powder is misconceived.
- xviii. The allegation is not limited to direct purchase of limestone lumps but concerns distortion of the downstream input market resulting from government measures affecting the upstream limestone market.
- xix. Calcium carbonate is derived from limestone and forms a principal raw material for the PUC. Ground calcium carbonate (GCC) powder is produced by crushing limestone, particularly high-purity limestone deposits with calcium carbonate content exceeding 98%, which are widely available in Vietnam.
- xx. Publicly available information from Vietnamese suppliers confirms that ground calcium carbonate is commercially referred to as "limestone powder" and originates from limestone deposits. Limestone and calcium carbonate powder are therefore part of the same mineral value chain and are functionally equivalent inputs for industrial use in the masterbatch sector.
- xxi. Consequently, government measures affecting the availability and pricing of limestone logically affect the domestic supply and pricing of limestone-derived calcium carbonate, even where producers procure the processed derivative rather than the raw mineral.
- xxii. The domestic industry submitted that reliance on HS classification alone is not determinative for subsidy analysis. The relevant inquiry under the SCM Agreement and the CVD Rules is whether government intervention results in provision of a good at LTAR and confers a benefit, regardless of whether the input is procured under one tariff heading or another.
- xxiii. The submission that calcium carbonate is derived from marble or white stone and not limestone is technically incorrect. From an industrial and geological perspective, limestone is the primary source for GCC used in masterbatch production. Marble is a higher-value metamorphic stone and is commercially unsuitable and uneconomical for use as a filler in polymer masterbatch applications.
- xxiv. Limestone-derived GCC is preferred in the masterbatch industry due to its suitability for controlled particle size, dispersion, whiteness, and compatibility with polymer matrices. Vietnamese suppliers themselves market GCC products as limestone-derived material.
- xxv. The fact that certain parties do not have facilities to convert limestone into calcium carbonate powder is irrelevant. The alleged benefit accrues through the price of calcium carbonate powder purchased in Vietnam, and the relevant inquiry is whether that price reflects prevailing market conditions or is distorted by government intervention in the upstream limestone market.
- xxvi. The domestic industry submitted that specificity exists because the alleged benefit accrues predominantly to industries using limestone or calcium carbonate as inputs, including producers of the PUC. Specificity does not require exclusive use by PUC producers but may be established de facto based on predominant beneficiaries and market structure.

- xxvii. The domestic industry further submitted that reliance placed by the Respondents on the WTO Panel Report in EU – Biodiesel (DS618) is misplaced, as the report is under appeal and does not represent a final or settled interpretation of WTO law. In any event, investigating authorities are required to apply the SCM Agreement and domestic law to the facts on record and are not bound to mechanically adopt panel reasoning.
- xxviii. In contrast, the Authority’s own findings in concluded investigations, including Digital Offset Printing Plates and Saturated Fatty Alcohol, constitute settled domestic practice and are directly relevant to the present case.
- xxix. The domestic industry submitted that domestic prices in Vietnam cannot be treated as an appropriate benchmark for determining adequacy of remuneration, as such prices are distorted by government intervention. In circumstances where in-country prices are distorted, WTO law permits the use of an external benchmark.
- xxx. For this purpose, the domestic industry submitted that the FOB export prices of limestone or calcium carbonate from Malaysia constitute an appropriate benchmark. Malaysia is a major supplier of comparable material in the same region, has similar geological limestone deposits, and operates under market-oriented conditions without comparable export restraints.
- xxxi. The benefit under the program should therefore be calculated as the difference between the benchmark price and the price at which limestone or calcium carbonate is procured or captively consumed by Vietnamese producers of the PUC during the POI.
- xxxii. The domestic industry submitted that the benchmark proposed by the other parties based on UAE prices is flawed because CaCO<sub>3</sub> production in the UAE is largely based on marble waste rather than sedimentary limestone, resulting in a fundamentally different cost structure and market dynamics.
- xxxiii. Malaysia, by contrast, has sedimentary limestone deposits comparable to Vietnam, produces high-purity calcium carbonate from limestone, operates under market-oriented conditions, and is a major exporter of CaCO<sub>3</sub> to global markets, including India particularly used by the masterbatch industry. Export prices from Malaysia therefore reflect undistorted market conditions and are suitable for benchmarking.
- xxxiv. The selection of Malaysia is the appropriate reference country, taking into account similarity of raw material, product characteristics, processing stage, availability of data, and absence of comparable export restraints.
- xxxv. The claim that the alleged program is “not applicable” to certain producers is premature and cannot be accepted without examination of questionnaire responses, verification of input sourcing, pricing, and assessment of whether domestic prices reflect distorted market conditions.

**The Authority has examined the submissions below:**

***Financial Contribution***

63. The Authority notes that the Government of Vietnam has imposed export taxes on limestone under Decree No. 26/2023/ND-CP with rates progressively increasing and reaching 30% during the POI. Limestone is a natural mineral resource, extraction and export of which in Vietnam is subject to licensing, regulatory oversight, and fiscal control by the Government.
64. The Authority notes that limestone constitutes the principal upstream raw material for the production of calcium carbonate (CaCO<sub>3</sub>), which in turn accounts for a substantial

proportion of the raw material consumption in the manufacture of the PUC. The Authority further notes that the export tax is expressly designed to discourage exports of raw limestone and retain the mineral within Vietnam.

65. The Authority has examined whether such export tax measures, viewed in isolation or in conjunction with the broader regulatory framework governing mineral resources, can constitute a financial contribution within the meaning of Section 9 of the Customs Tariff Act, 1975 read with Rule 12 of the CVD Rules and Article 1.1(a) of the SCM Agreement.
66. While the Authority notes the submissions of the Government of Vietnam and certain exporters that an export tax is a regulatory measure and does not involve a direct transfer of funds or direct provision of goods, the Authority considers that Article 1.1(a)(1)(iv) of the SCM Agreement recognizes that a financial contribution may also exist where the government, through a set of measures, effectively causes private bodies to perform functions that would normally be vested in the government, including provision of goods, where such conduct does not meaningfully differ from normal government practice.
67. In the present case, the Authority notes that limestone is a state-controlled natural resource and that the export tax regime operates in a manner that restricts exports, alters supply conditions, and materially influences domestic availability and pricing of limestone and limestone-derived inputs. The Authority further notes that the Government of Vietnam, in its responses, has acknowledged that the policy objective of the export tax is to regulate exports of limestone and improve efficiency of downstream industries.
68. The Authority considers that such regulatory and fiscal measures, when examined cumulatively, constitute affirmative government action that alters the conditions under which limestone is supplied in the domestic market. The resulting domestic supply conditions are not the outcome of free market forces alone but are shaped by government intervention in the form of export taxation and mineral policy.
69. Export restraints such as export taxes constitute a financial contribution within the meaning of Section 9(1) of the Customs Tariff Act, 1975 because they are an indirect transfer of funds. This position has been affirmed by the Authority in investigations concerning various products such as “Saturated Fatty Alcohol” from Indonesia, Malaysia and Thailand and “Continuous Cast Copper Wire Rods” from Indonesia, Malaysia, Thailand and Vietnam, “Digital Offset Printing Plates” (DOPP) originating in or exported from China PR and Taiwan.
70. With regard to the argument that purchase are made from private suppliers, and not from the government, the Authority notes that the Government of Vietnam exercises its authority over private bodies through its regulatory mechanism specifically, the export restraints imposed by the GOV, such as the 30% export tariff, to compel them to provide limestone to the downstream industries at a cheaper price. By artificially suppressing domestic prices for limestone, these measures significantly distort the limestone market in Vietnam and provides downstream manufacturers of PUC with limestone at LTAR. Consequently, even private suppliers benefit from these state-backed measures.
71. In view of the above, the Authority concludes that the export tax and regulatory framework governing limestone in Vietnam constitute a financial contribution by the

Government of Vietnam within the meaning of Section 9 of the Customs Tariff Act, 1975 read with Rule 12 of the CVD Rules and Article 1.1(a)(1)(iv) of the SCM Agreement, as the Government, through its measures, effectively influences the provision of a key raw material to downstream industries in the domestic market.

### ***Benefit***

72. The Authority notes that, in terms of Article 1.1(b) of the SCM Agreement and Rule 12 of the CVD Rules, a subsidy exists only if a financial contribution confers a benefit on the recipient. Article 14(d) of the SCM Agreement provides that, where goods are provided by the government or through its intervention, the adequacy of remuneration shall be determined in relation to prevailing market conditions in the country of provision.
73. The Authority has examined whether the financial contribution identified above has resulted in limestone or limestone-derived CaCO<sub>3</sub> being made available to producers of the PUC at remuneration below what would prevail under undistorted market conditions.
74. The Authority notes the domestic industry's contention that the export tax discourages exports of limestone, increases domestic availability, and suppresses domestic prices of limestone and CaCO<sub>3</sub> below international levels. The Authority also notes the exporters' submissions that certain producers purchase CaCO<sub>3</sub> powder from private suppliers, that HS codes differ, and that no direct government price control exists.
75. The Authority considers that the relevant inquiry under Article 14(d) is not limited to whether the government directly supplies goods, but whether the price paid for the relevant input reflects prevailing market conditions. The Authority further considers that purchasing inputs from private suppliers does not preclude the finding of benefit where domestic prices are themselves distorted due to government intervention upstream.
76. The Authority notes that CaCO<sub>3</sub> used in the manufacture of the PUC is also commercially referred to as "limestone powder" industrially derived from limestone and that the limestone and CaCO<sub>3</sub> markets are economically integrated. The Authority further notes that distinctions based solely on HS classification do not negate the upstream-downstream linkage for purposes of benefit analysis under the SCM Agreement.
77. The Authority finds that the export tax regime, by restricting exports of limestone, alters normal supply-demand equilibrium and results in domestic prices that do not reflect undistorted market conditions. Consequently, downstream producers using limestone-derived CaCO<sub>3</sub> obtain access to this input at prices lower than would prevail absent the government intervention.
78. In view of the above, the Authority concludes that the financial contribution by the Government of Vietnam confers a benefit on producers of the PUC, as limestone-derived inputs are made available at less than adequate remuneration within the meaning of Article 14(d) of the SCM Agreement and Rule 12(2)(d) of the CVD Rules.

### ***Specificity***

79. The Authority notes that, in terms of Article 2 of the SCM Agreement and Section 9 of

the Customs Tariff Act, a subsidy is countervailable only if it is specific, either de jure or de facto, to an enterprise, industry, or group of enterprises or industries.

80. The Authority has examined the exporters' submissions that limestone is used across multiple industries and therefore the measure lacks specificity. The Authority notes that specificity does not require that the goods be used exclusively by the subject industry, but requires examination of whether the benefit accrues predominantly to certain industries or is limited in practice.
81. The Authority notes that limestone and limestone-derived CaCO<sub>3</sub> are critical inputs for a defined group of downstream industries, including masterbatch producers. The Authority further notes that the policy objective of Vietnam's export tax regime is to retain mineral resources domestically and promote downstream value addition, which inherently favours industries consuming limestone/CaCO<sub>3</sub> as a key input.
82. The Authority considers that industries not dependent on limestone/CaCO<sub>3</sub> do not derive any benefit from the export tax regime, whereas industries using limestone/limestone derived inputs directly benefit from increased domestic availability and suppressed prices. The benefit is therefore limited in practice to a group of industries that use limestone and CaCO<sub>3</sub> as principal raw materials.
83. In view of the above, the Authority concludes that the subsidy arising from the provision of limestone at LTAR is specific, to industries using limestone-derived inputs, including producers of the PUC, within the meaning of Article 2 of the SCM Agreement and Section 9 of the Customs Tariff Act, 1975.

### ***Benchmark***

84. The Authority notes that, for determining benefit under Article 14(d) of the SCM Agreement and Rule 12(2)(d) of the CVD Rules, the adequacy of remuneration must be assessed in relation to prevailing market conditions for the goods in question in the country of provision. The Authority further notes that where in-country prices are distorted due to government intervention, an external benchmark may be used, subject to appropriate adjustments to ensure comparability.
85. In the present case, the domestic industry has submitted that domestic prices of limestone and limestone-derived calcium carbonate in Vietnam are not appropriate benchmarks, as the export tax regime on limestone discourages exports and alters domestic demand-supply equilibrium. The domestic industry has therefore proposed an external benchmark based on FOB export prices of CaCO<sub>3</sub> from Malaysia, asserting that Malaysia is a proximate, comparable supplier within the same region and that its prices reflect undistorted market conditions.
86. The Authority notes the submissions of the producers/exporters and certain other interested parties opposing the domestic industry's proposed benchmark on grounds that the export tax applies only to limestone, not to CaCO<sub>3</sub> powder; that Malaysia data at the 4-digit HS level mixes different stone products, reducing comparability; that Malaysian price data contains extreme outliers; and that the domestic industry has not actually shown distortion in Vietnam's domestic prices. They also propose an alternative benchmark based on Indian import prices of limestone lumps (mainly from the UAE), adjusted to derive an FOB price.

87. The Authority has examined the submissions made by all parties and finds that the benchmark exercise must be undertaken by identifying:
- i. the relevant “good” whose remuneration is to be assessed under Article 14(d);
  - ii. whether domestic prices for that good in Vietnam reflect prevailing market conditions; and
  - iii. if not, which external benchmark most reasonably reflects undistorted prevailing market conditions for the relevant good, after suitable adjustments.
88. Although the program is described as “supply of limestone at LTAR,” the Authority recognizes that the downstream manufacturing of the subject product uses CaCO<sub>3</sub> powder, which is itself produced from limestone or similar calcareous feedstock.
89. The Authority also notes that Vietnam’s export tax on limestone is substantial and increasing, and aims to regulate exports and promote downstream processing. Based on that, the Authority finds it reasonable to treat Vietnamese domestic prices for limestone-derived inputs with caution and to consider external benchmarks.
90. The Authority evaluates the domestic industry’s proposed Malaysian benchmark, noting Malaysia’s role as a regional supplier of comparable high-purity CaCO<sub>3</sub> having highest exports to India during the POI. Further, the domestic industry is also procuring CaCO<sub>3</sub> from Malaysia for producing PUC.
91. The Authority observes that most of the participating exporters purchase CaCO<sub>3</sub> powder directly rather than limestone lumps, therefore, the benchmark must assess whether the remuneration for CaCO<sub>3</sub> powder is adequate.
92. The Authority observes that the HS chapter difference of limestone and calcium carbonate reflects nomenclature or processing levels, but does not alter the chemical identity (CaCO<sub>3</sub>) or subsidy analysis. It also examines the exporters’ proposed benchmark based on Indian import prices of limestone lumps from UAE. It is noted that the calcium carbonate used for PUC production requires high-purity limestone, with finer particle size with calcium carbonate content exceeding 98%. The Authority observes that the import of limestone from UAE is primarily used by the steel industry and cement industry and not by the PUC producers. Further, the exporters’ benchmark focuses solely on limestone lumps but does not account for the additional processing required to convert lumps into CaCO<sub>3</sub> powder. Without appropriate processing adjustments and verifiable evidence supporting each cost deduction, the exporters’ benchmark may understate the true economic value of the actual input used by PUC producers.
93. The Authority therefore considers that a benchmark approach that relies on a comparative market with active exports of CaCO<sub>3</sub> / limestone-derived industrial inputs specifically for production of PUC, and that enables conversion to a comparable price basis, is more suitable for Article 14(d) purposes.
94. The Authority has taken into considering the following submissions made by the interested parties regarding reliability of the benchmark data (trade map) submitted by the applicants:

- a) Malaysia FOB export prices proposed as benchmark by the applicants is classified at the 4-digit HS Code level, which includes other heterogeneous products.
- b) The FOB prices proposed by the applicants range from about USD 28/MT to USD 5143672/MT, substantiates that the data includes a broad, heterogeneous product basket that is neither identical nor even sufficiently comparable to the material relevant to the subject goods.
- c) A comparative summary of the import data procured by the interested parties at eight-digit level from secondary source, import data available on the website of Ministry of commerce and trade map data filed by the applicant industry shows that the raw / unsegregated import data reported on the website of Ministry of Commerce including limestone lump and CaCO<sub>3</sub> is comparable to the raw / unsegregated import data submitted by the respondent. The average price of major suppliers (countries) is also in the same range.
- d) The data proposed by the interested parties is at the 8-digit level as against the data initially proposed by the applicants which was at the 4-digit level and included limestone, limestone flux and other calcareous stones used, inter alia, for manufacture of lime or cement.
- e) Subsequently, the applicant submitted the 8 digit level data of HSN Code 28365000 pertaining to import of Calcium Carbonate from Malaysia to India, on CIF basis, extracted from the Ministry of Commerce and Industry. The necessary appropriate adjustments have been made in this to arrive at the benchmark rate on FOB basis.
- f) The data provided by the domestic industry and interested parties pertaining to CaCO<sub>3</sub> has been fully corroborated by the information available on the website of the Ministry of Commerce & Industry.

95. Accordingly, the Authority initially proposed to adopt the Malaysian export price of CaCO<sub>3</sub> to India on FoB basis as appropriate benchmark under Article 14(d) based on eight-digit level data available on the website of Ministry of Commerce and the resulting benefit has been quantified for the responding exporters on the basis of verified information.

96. However, in view of the post disclosure comments, wherein the other interested parties requested to adopt the import prices from Egypt into India as an appropriate external benchmark due to the large quantum of imports from Egypt to India and on the other hand, the emphasis of domestic industry to consider only Malaysian import prices into India as an appropriate benchmark, the Authority specifically examined these competing claims regarding consideration of external benchmark. The participating producers / exporters relied on Egypt's substantial production and exports, its significant share in Indian imports, the domestic industry's own procurement from Egypt and the commercial relevance of Egyptian prices. The domestic industry relied on the product-specific and reconcilable Malaysian data under tariff item 28365000. Upon reconsideration, the Authority found that both countries supplied relevant calcium carbonate to India during the POI and that neither source should be discarded merely because the other had a larger volume or more detailed transaction data.

97. The Authority has re-examined the benchmark for calcium carbonate strictly in accordance with Rule 12(2)(d), Annexure IV and Article 14(d) of the SCM Agreement,

which require adequacy of remuneration to be assessed against prevailing market conditions, including price, quality, availability, marketability, transportation and other conditions of sale. Benchmark selection is therefore not governed by the lowest price, the nearest source, the largest supplier or the outcome most favourable to either side. The controlling test is whether the benchmark is reliable, representative, comparable and capable of measuring the benefit on a like-for-like basis

98. Egypt represented the materially larger import volume into India of CaCO<sub>3</sub> and its use by the domestic industry confirmed commercial availability for industrial use. Malaysia, however, offered a more detailed product-specific transaction data and useful evidence on descriptions, price dispersion and shipment conditions. The Authority has, therefore, considered the weighted average CIF prices of both the sources duly adjusted to FOB level, that is, import prices of Egypt as well as Malaysia to India as extracted from website of Ministry of Commerce & Industry, as an appropriate external benchmark, for the purpose of programme no. 1. The Authority has relied on actual 8 digit level HSN code imports into India from Egypt and Malaysia in POI at CIF level, as extracted from website of Ministry of Commerce & Industry, which has been duly adjusted to FOB level.
99. The benchmark has been calculated by weighting each country's adjusted price by its corresponding eligible import quantity. This methodology is not an equitable compromise between competing claims; it is the most representative and legally defensible measure of prevailing market remuneration available on the record. It recognises Egypt's greater commercial presence, preserves the reliability of the Malaysian product-specific data, minimises source-specific distortion and provides a balanced, objective and robust basis for the final recipient-specific benefit and subsidy margin calculations. Objections concerning grade, particle size, purity, coating, whiteness, processing route, end use and tariff classification were duly examined for both countries.
100. It is noted that Malaysian CIF prices have been converted to a FOB-equivalent basis by deducting verified freight and insurance prices based on the contemporaneous, route-specific and product-relevant documentary evidence provided by the domestic industry, whereas the Egyptian CIF prices have been converted to a FOB-equivalent basis by deducting verified freight and insurance prices based on the contemporaneous, route-specific and product-relevant documentary evidence provided by the respondents or producer-exporters. This ensures that the benchmark reflects the value of the input itself and is not distorted by differences in product characteristics, shipment terms or level of trade.
101. The composite benchmark is considered more objective and representative than exclusive use of either country. Exclusive reliance on Egypt would disregard the detailed Malaysian transaction evidence, while exclusive reliance on Malaysia would understate the significance of the larger volume of comparable imports from Egypt. The combined series, after harmonisation of product scope and commercial terms, better reflects prevailing market conditions.
102. The legal basis of this methodology is representativeness, comparability and prevailing market conditions under Rule 12 and Article 14(d). Although it incidentally balances the competing concerns of exporters and the domestic industry, it is adopted because it provides a broader and more reliable external market reference-based benchmark.

103. The weighted benchmark is applied only to producers that purchased or consumed calcium carbonate during the POI. It is compared with each cooperating producer's verified purchase price on a like-for-like basis, with adjustments for freight, insurance, port handling, trading level and other conditions of purchase. The company-specific benefit calculations are contained in the confidential calculation sheets.
104. Specificity was confirmed because the identified mineral-input framework benefits a limited group of downstream enterprises dependent on the affected limestone and limestone-derived input. The fact that these minerals may have other uses does not negate specificity where the design and operation of the programme and the benefit to investigated producers are established.
105. Accordingly, Program 1 remains countervailable. For calcium-carbonate purchases, the final producer-specific subsidy calculations shall use the quantity-weighted average of adjusted comparable POI import prices from Egypt and Malaysia. Consequential revisions shall be made to the subsidy margins.

### ***Subsidy Margin***

106. In accordance with Rule 12 of the CVD Rules, the Authority has quantified the benefit as the difference between the benchmark price determined above and the price at which CaCO<sub>3</sub> was purchased by the responding exporters during the POI.
107. Based on verified questionnaire responses submitted by the exporters, information provided by the Government of Vietnam through TRAV, and benchmark data placed on record by the domestic industry, the Authority has calculated the subsidy amount attributable to this program for each responding exporter, which has been included in the net countervailable subsidy margin.

### **Program 12 - Supply of Natural Gas / Electricity / Coal for Power Consumption at LTAR**

108. The other interested parties have made the following submissions with respect to this:
- i. The other interested parties submitted that the petition alleges that natural gas, electricity and coal are provided by the Vietnamese authorities at less than adequate remuneration, on the premise that government-set prices are lower than international market prices, thereby conferring a financial benefit on recipient enterprises. The parties categorically denied having received any such benefit.
  - ii. It was submitted that the producers in Vietnam do not use natural gas or coal for power generation or for their manufacturing operations. Accordingly, the allegation relating to provision of natural gas or coal at LTAR is stated to be factually incorrect and not applicable to them.
  - iii. With respect to electricity, the parties submitted that electricity is procured through private commercial arrangements and not supplied by the Government of Vietnam. They stated that electricity is purchased from private entities pursuant to duly executed agreements, and that monthly electricity bills evidencing such purchases have been submitted to the Authority.

- iv. The parties further submitted that utilities such as water are purchased from the private entities on commercial terms. On this basis, it was contended that electricity and utilities are sourced through private contracts rather than through any government program alleged.
- v. The parties contended that electricity prices in Vietnam are not distorted and reflect prevailing market conditions. They reiterated, to the extent applicable, their submissions made in relation to the allegation of limestone being provided at LTAR, and submitted that regulation of prices does not, by itself, render a measure actionable under the SCM Agreement or the CVD Rules.
- vi. The parties relied on the findings of the Australian Anti-Dumping Commission in the anti-subsidy investigation concerning imports of Aluminium Zinc Coated Steel from Vietnam. They submitted that the Commission, after examining electricity pricing in Vietnam with reference to World Bank data, concluded that there were no significant cost distortions in the Vietnamese electricity market and that electricity prices in Vietnam were comparable to, or higher than, prices in several other countries.
- vii. The parties emphasized that, although the Government of Vietnam regulates electricity pricing and prescribes different tariff categories such as manufacturing, administrative/governmental, trading and household, all entities within each category are charged uniform and publicly notified rates. They submitted that such categorization is common across jurisdictions, including India, and does not imply targeted benefit, preferential treatment or specificity.
- viii. It was further submitted that the petitioner has failed to place any enterprise-specific or industry-specific evidence on record to show that the respondents received electricity, natural gas or coal at prices different from those paid by other industrial consumers in Vietnam, or that any preferential tariff, rebate, discount or financial advantage was extended to them.
- ix. The parties argued that government regulation of utilities does not automatically imply LTAR or subsidization. They submitted that electricity and gas sectors are regulated worldwide due to their public utility character, and that regulation for grid stability, safety and consumer protection does not establish that prices are lower than market benchmarks or that a subsidy exists.
- x. The parties disputed the petitioner's reliance on earlier DGTR findings, including the Fiberboards investigation, and submitted that such reliance is misplaced. They contended that those findings were based on the specific factual record in those investigations, whereas in the present case complete tariff schedules, invoices, bills and government notifications have been provided, leaving no basis for presuming distortion.
- xi. The parties also challenged the benchmarks proposed by the petitioner, including reliance on Global Petrol Prices or prices prevailing in Malaysia, on the ground that such sources reflect retail or consumer-level prices, do not represent industrial tariffs, and do not account for country-specific factors such as fuel mix, transmission and distribution costs, subsidy frameworks and climatic conditions.
- xii. In relation to natural gas, the parties reiterated that they do not use natural gas in their manufacturing process. They submitted that the allegation regarding use of natural gas is speculative and unsupported by any documentary or technical evidence on record.
- xiii. The parties submitted that oversight by the Ministry of Industry and Trade under Decree 87/2018 relates to safety, licensing and technical standards, and not to price fixation. They contended that natural gas prices in Vietnam are determined by

- commercial suppliers and fluctuate based on international benchmarks such as PLATTS, CP or FOB prices.
- xiv. The parties further submitted that where natural gas is purchased, it is procured from private suppliers under arm's-length commercial contracts with price variation clauses, and that invoices and payment records demonstrate that no concession, subsidy or LTAR exists.
- xv. It was also submitted that even assuming, without admitting, that electricity or gas were supplied at a different price, the allegation would still fail for lack of specificity. According to the respondents, tariffs apply uniformly to all industrial users in Vietnam, with no enterprise-specific, sector-specific, regional or conditional preference, thereby failing the requirements of specificity under Article 2 of the SCM Agreement.
- xvi. The GOV submits that government involvement in a market does not automatically establish price distortion and that the DGTR has not demonstrated why in-country prices could not serve as appropriate benchmarks. The GOV further submits that the DGTR has not sufficiently demonstrated that the selected external benchmarks appropriately reflect prevailing market conditions in Viet Nam through adjustments relating to quality, transportation, availability, and other conditions of sale.
- xvii. European Plastic Joint Stock Company, Polyfill Joint Stock Company, Nghe An European Plastic One Member Limited Liability Company and Yen Bai European Plastic Joint Stock Company submitted that they have not received benefit under this program. The reliance on Malaysian electricity prices is legally untenable, as domestic prices in Vietnam must be used in the absence of proven distortion.
- xviii. VMI submitted that electricity was procured from private suppliers at market-determined commercial rates and not from government-owned utilities. VMI argued that the Authority improperly presumed distortion in Vietnam's electricity market without conducting a company-specific analysis of VMI's verified electricity contracts and invoices. VMI also challenged the use of Malaysian electricity prices from Global Petrol Prices as a benchmark, asserting that Malaysia's energy market structure, subsidy regime, and consumer tariff data were not comparable to Vietnam's industrial electricity market conditions.
- xix. Vitaplas Joint Stock Company submits that it purchases electricity from private commercial entities pursuant to duly executed electricity supply agreements, that the electricity tariffs paid by Vitaplas are determined in accordance with publicly notified tariff schedules applicable to all industrial consumers in Vietnam, and that there is no evidence that Vitaplas has received electricity at preferential rates, concessional terms, or below-market prices.
- xx. Electricity is a public utility service characterized by natural monopoly features in transmission and distribution networks. Virtually all countries, including India, regulate electricity tariffs to ensure grid stability, prevent abuse of monopoly power, protect consumer interests, ensure cost recovery for utilities, and promote efficient resource allocation. Such regulation is a normal and necessary function of government and does not, by itself, constitute a financial contribution or confer a benefit within the meaning of the SCM Agreement.
- xxi. ADC procures electricity and other utilities from independent suppliers under commercial arrangements. Such procurement is undertaken on an arm's-length basis and at prevailing market prices, without any involvement of the Government of Vietnam in the provision of such utilities. The Authority has not identified any instance where the Government of Vietnam has directly or indirectly provided electricity, natural gas, coal, or any other utility to the Respondent. In the absence of

- such evidence, the essential requirement of a financial contribution under Article 1.1(a) of the SCM Agreement is not satisfied.
- xxii. The Respondent further submits that the mere existence of regulatory oversight or state participation in the energy sector does not imply that all utilities supplied within the economy are provided by the government or at subsidised rates. The Authority is required to establish a direct nexus between the government and the provision of the goods to the Respondent, which has not been done.
- xxiii. The respondent has not availed any LTAR benefit on electricity prices. The proposal made in the disclosure statement dated 20.03.2026, that “The Authority finds, on the basis of the regulatory/tariff-setting framework placed on record and the role of the Government of Vietnam through MOIT, that there exists a financial contribution in respect of provision of electricity within the meaning of the SCM Agreement and the CVD Rules.” is completely wrong, misleading, and hence, denied. It is submitted that no evidence has been placed on record that Government of Vietnam has provided any benefit to the manufacturers in any of the following forms:
- (i) direct transfer of funds to the manufacturers of the subject goods;
  - (ii) revenue foregone or not collected i.e., electricity charges waived fully or partly;
- xxiv. The Authority has consistently analysed whether any rebate / discount / exemption on electricity tariff is provided by the respective government to the manufacturers of the subject goods *vis-à-vis* normal rates. If yes, the same has been considered as subsidy to the extent of rebate/discount/exemption provided to the manufacturers of the subject goods.
- xxv. The Authority has not found LTAR on Electricity in the recent investigations. They have submitted that Authority may cross-check this claim from the recent findings. Illustrative list of the investigations is provided below for the ready reference of the Authority:
- a) Welded Stainless-Steel Pipes and Tubes originating in or exported from China PR and Vietnam [F. No. 7/23/2023-DGTR dated 15 June, 2024]  
Welded
  - b) Welded Stainless Steel Pipes and Tubes originating in or exported from China PR and Vietnam [F.No. 6/22/2018-DGAD dated 31 July, 2019]
  - c) Textured Tempered Glass originating in or exported from Vietnam [F. No. 6/32/2023-DGTR dated 11 February, 2025]
- xxvi. Curiously, in this investigation an incomparable benchmark has been considered based on the misleading submissions of the domestic industry to prove a non-existent case of subsidization. It may be noted that the policy of the Government remains the same. In such a case, the respondent is not able to understand the reason for the adoption of an unprecedented methodology in this investigation.
- xxvii. The allegations of the Applicant also stands unsubstantiated and invalidated by the determination of the Australian Anti-dumping Commission wherein the commission, in Anti-subsidy investigation against imports of Aluminium Zinc Coated Steel of a Width Equal to or Greater Than 600 Millimetres from Vietnam found the absence of cost distortions in the Vietnamese electricity market. The Australian Commission has noted as follows:

- a) Vietnam different rates apply to different sectors and are dependent on voltage;
- b) World Bank electricity price adequately reflects electricity prices in Vietnam and aligns with the data the GOV provided.
- c) The electricity prices in the Korea, Malaysia and Taiwan are all cheaper than Vietnam.

xxviii. With regard to specificity, it is noted in the Disclosure Statement dated 20.03.2026 that the scheme is specific since retail tariff is set for different categories, including manufacturing, administrative/non-business, business and households. Such differentiation indicates that the tariff mechanism is not uniformly applicable across all users, but is administered through defined user categories, including industrial/manufacturing users that consume electricity as an input for production. It is submitted that the proposal made regarding specificity is completely wrong as tariff is always different based on the factors mentioned above. This practice is being followed around the globe including India. The tariff is applicable to all enterprises and is not specific to any particular enterprise.

109. The domestic industry has made the following submissions with respect to this:

- i. The domestic industry submitted that energy prices in Vietnam, including electricity, natural gas and coal, are set or regulated by government authorities and do not reflect market-determined conditions. It was submitted that such administered pricing results in distortion of energy prices in Vietnam.
- ii. According to the domestic industry, the provision of electricity, natural gas and coal at administered prices constitutes provision of goods at less than adequate remuneration within the meaning of Article 14(d) of the SCM Agreement and the CVD Rules. The difference between the government-set prices and international market prices represents a financial benefit conferred on recipient enterprises.
- iii. It was further submitted that the provision of electricity, natural gas and coal for power consumption at LTAR by Vietnamese authorities constitutes a countervailable subsidy. The domestic industry submitted that the Government of Vietnam exercises direct control over these sectors through the Ministry of Industry and Trade (“MOIT”), which demonstrates that the program is specific and actionable.
- iv. The domestic industry submitted that the benchmark for assessing adequacy of remuneration cannot be domestic Vietnamese prices, as these are distorted due to government intervention. It proposed that energy prices from a comparable external market, such as Malaysia, be used as an appropriate benchmark, based on publicly available data. The benefit, according to the domestic industry, should be calculated as the difference between such benchmark prices and the prices actually paid by producers of the PUC in Vietnam.
- v. With respect to electricity, the domestic industry submitted that MOIT sets the electricity retail tariffs within prescribed price frames for four categories of users, namely (i) manufacturing sectors, (ii) administrative and non-business sectors, (iii) business sectors, and (iv) households.
- vi. The domestic industry relied on the Authority’s findings in the anti-subsidy investigation concerning imports of Fiberboards from Indonesia, Malaysia, Thailand, Vietnam and Sri Lanka, wherein the Authority held that electricity rates in Vietnam were distorted and not reflective of market forces due to government control.

- vii. In the Fiberboards investigation, the Authority had relied on ‘Global Petrol Prices’ as a benchmark source on the basis that it publishes a wide range of reliable and up-to-date information on retail energy prices across countries. The domestic industry submitted that this established practice supports the conclusion that Vietnamese electricity prices are distorted.
- viii. On this basis, the domestic industry proposed adoption of electricity prices from another ASEAN country, namely Malaysia, as an appropriate external benchmark. The Malaysian electricity prices, as extracted from ‘Global Petrol Prices’, were placed on record, and the Authority was requested to compare the actual electricity tariffs paid by responding Vietnamese producers with this benchmark to determine the subsidy margin.
- ix. In response to the parties’ denial of LTAR, the domestic industry submitted that such denials are incorrect, selective and misleading. It reiterated that electricity pricing in Vietnam is administered, regulated and controlled by the Government of Vietnam and therefore does not reflect prevailing market conditions as required under Article 14(d) of the SCM Agreement.
- x. The domestic industry further submitted that reliance by parties on findings of the Australian Anti-Dumping Commission is misplaced, as determinations by foreign authorities are not binding on this Authority and are based on different periods, facts and evidentiary records.
- xi. The domestic industry pointed out that even the extracts relied upon by the respondents acknowledge that electricity prices in Vietnam are fixed sector-wise by the government and applied uniformly, rather than being determined through competitive market forces. It was submitted that such administered pricing itself warrants scrutiny under Article 14(d).
- xii. The domestic industry submitted that its benchmark submissions demonstrate systematic suppression of electricity tariffs in Vietnam through tariff caps and policy intervention by state-owned or state-controlled entities. Accordingly, it denied the parties’ claim that no LTAR exists in respect of electricity and requested the Authority to assess electricity pricing based on objective external benchmarks already proposed.
- xiii. With respect to natural gas, the domestic industry submitted that under Decree No. 87/2018/ND-CP, MOIT has been designated as the administrative authority for the petroleum sector and oversees all business activities relating to LPG, LNG and CNG. The relevant Decree was placed on record.
- xiv. The domestic industry submitted that such regulatory oversight demonstrates direct government control over the natural gas sector in Vietnam, resulting in distortion of natural gas prices. It was contended that these prices therefore do not reflect market-determined conditions.
- xv. Reliance was placed on the Authority’s findings in the anti-subsidy investigation concerning imports of Copper Tubes and Pipes from Malaysia, Thailand and Vietnam, wherein the Authority held that natural gas prices in Vietnam were distorted due to government control and were not reflective of market forces.
- xvi. In that investigation, the Authority had relied on ‘Global Petrol Prices’ as a benchmark source for natural gas prices. The domestic industry submitted that this constitutes a well-established practice of the Authority in circumstances where domestic prices are distorted.
- xvii. Accordingly, the domestic industry proposed adoption of natural gas prices from Malaysia, as extracted from ‘Global Petrol Prices’, as the appropriate benchmark. The relevant Malaysian natural gas price data was placed on record, and the Authority was requested to compare these benchmark prices with the prices paid by Vietnamese producers to determine the subsidy margin.

110. The Authority has examined the submissions below:

***Financial Contribution & Benefit***

111. The Authority notes that the allegation under this concerns the provision of energy inputs, namely electricity, natural gas and coal, for power consumption in Vietnam at administered or regulated prices. However, based on the questionnaire response/additional questionnaire response placed on record by the producers/exporters, the Authority notes that the users/consumers including the producers of the PUC have consumed electricity at less than adequate remuneration.
112. The Authority has examined the material on record regarding the structure of the electricity sectors in Vietnam and the role of the Government of Vietnam, including through the Ministry of Industry and Trade (“MOIT”), in tariff setting and oversight.
113. The Authority finds, on the basis of the regulatory/tariff-setting framework placed on record and the role of the Government of Vietnam through MOIT, that there exists a financial contribution in respect of provision of electricity within the meaning of the SCM Agreement and the CVD Rules.

***Specificity***

114. The Authority has examined the structure of the electricity tariff regime placed on record, wherein the retail tariff is set for different categories, including manufacturing, administrative/non-business, business and households. However, the same is uniformly applicable across all users within each user categories. The applicants have failed to provide evidence to demonstrate that electricity is provided only to the manufactures of PUC at a rate lower than the normal rates.
115. Therefore, the Authority notes that this program is not specific. Further, this is also corroborated by the fact that the Authority has also not found LTAR on Electricity in Vietnam in the following investigations conducted by the Authority.
- a) Textured Tempered Glass originating in or exported from Vietnam [F. No. 6/32/2023-DGTR dated 11 February, 2025]
  - b) Welded Stainless-Steel Pipes and Tubes originating in or exported from China PR and Vietnam [F. No. 7/23/2023-DGTR dated 15 June, 2024]  
Welded
  - c) Welded Stainless Steel Pipes and Tubes originating in or exported from China PR and Vietnam [F. No. 6/22/2018-DGAD dated 31 July, 2019]
116. Accordingly, the Authority has not examined the countervailability of this particular program.

**Program 13 - Provision of Land at LTAR and Exemptions or Reductions from Land and Water Rents**

117. The other interested parties have made the following submissions with respect to this:

- i. The producers/exporters submitted that the allegation that the Government of Vietnam provides land at LTAR, water rent exemptions or reductions is unfounded, factually incorrect, and not applicable to the responding producers/exporters.
- ii. It submitted that this program refers to exemptions or reductions in land and water rent for periods ranging from three to eleven years, and reductions of up to fifty percent for certain enterprises. The parties submitted that they have not availed any such alleged program during the POI.
- iii. The parties submitted that land used by them is not owned or directly allotted by the Government of Vietnam. Instead, land has been obtained through commercial sub-lease arrangements with private industrial park infrastructure development companies.
- iv. In this regard, one of the parties submitted that it entered into a land sub-lease agreement with the lease valid until 2065.
- v. It submitted that the unit price for sub-leasing land with infrastructure (excluding VAT) under the said agreement is equivalent to approximately USD 75 per square meter, applicable for the entire lease term.
- vi. The parties submitted that the land price paid by them is significantly higher than the base land prices prescribed by the People's Committee of Hung Yen Province under Decree No. 40/2019/QD-UBND dated 20 December 2019, which promulgates the land price list for the period 2020–2024.
- vii. As per Table 09 of Decree No. 40/2019/QD-UBND, the base price for commercial, service, and non-agricultural production land in industrial parks located in Yen My District is VND 1,200,000 per square meter.
- viii. It submitted that the land price paid by the parties exceeds the base price prescribed under the said Decree. This premium demonstrates that the land lease price is not incentivised, concessional, or provided at LTAR.
- ix. The parties submitted that the payment of a premium over the provincial base price conclusively establishes that no benefit has been conferred and that the transaction reflects market-based commercial terms.
- x. The parties further submitted that the allegation of provision of land at LTAR is not applicable, as they have not purchased land but have only taken land on lease. According to the parties, the petition incorrectly equates leasing arrangements with government provision of land.
- xi. The parties rely on findings of the Australian Anti-Dumping Commission in the anti-subsidy investigation concerning imports of Aluminium Zinc Coated Steel of a width equal to or greater than 600 millimetres from Vietnam, wherein no subsidy was found in relation to land use levy exemptions or reductions.
- xii. The parties submitted that the Australian authority found no evidence that exporters of the subject goods had received any financial benefit under land-related programs and consequently terminated the investigation with respect to that program.
- xiii. The parties submitted that land rent exemption and reduction policies in Vietnam constitute general investment promotion measures that are uniformly available to all enterprises investing in industrial zones, particularly those located in socio-economically difficult regions.
- xiv. It submitted that these measures do not distinguish between sectors, products, sizes of enterprises, export orientation, or localisation requirements, and therefore lack both de jure and de facto specificity.
- xv. Eligibility for any land or water rent exemption or reduction is based solely on objective geographical criteria, namely the location of the project in designated industrial zones or economically difficult regions, and not on the nature of the product manufactured.
- xvi. One respondent submits that its project, located in Yen Bai Province, qualifies for land rent exemption under Point (b), Clause 3, Article 19 of Decree No. 46/2014/ND-CP, as

- the project is situated in an industrial zone located in a socio-economically difficult area, with the objective of promoting regional development.
- xvii. The parties submitted that such incentives constitute general regional development measures and fall within the category of permissible investment promotion policies, which are not countervailable in the absence of specificity.
- xviii. The parties further submitted that similar regional development incentives exist in India and other WTO Members, and therefore Vietnam's land policies should not be treated differently.
- xix. The parties denied the allegation that the Government of Vietnam provides land to producers of the PUC at LTAR and submit that the domestic industry has failed to establish any distortion in land prices or any benefit conferred during the period of investigation.
- xx. The parties also challenged the domestic industry's proposal to rely on out-of-country benchmarks, including Thailand Board of Investment ("BOI") land rental data, adjusted by inflation indices.
- xxi. It submitted that Thailand and Vietnam have fundamentally different land tenure systems, industrial zoning frameworks, real estate markets, land conversion costs, and infrastructure provisioning models, rendering such comparisons invalid.
- xxii. The parties submitted that inflation-based adjustments across unrelated real estate markets lack economic justification and do not satisfy the requirements of comparability under Article 14(d) of the SCM Agreement.
- xxiii. It further submitted that Thailand BOI rates do not reflect the structure of Vietnamese industrial zone leasing, which typically includes bundled infrastructure, services, and long-term concession arrangements.
- xxiv. The parties argued that reliance on precedents from the United States Department of Commerce regarding out-of-country benchmarks is misplaced and not binding on the Authority.
- xxv. Even under U.S. practice, use of external benchmarks requires a prior finding of domestic market distortion and a rigorous comparability analysis, neither of which has been demonstrated by the domestic industry.
- xxvi. The parties submitted that, for determining adequacy of remuneration, the Authority must consider the nature of land, lease tenure, escalation clauses, included infrastructure, local market conditions, zoning restrictions, and bundled charges.
- xxvii. The parties submitted that they have placed on record complete land lease agreements, rent payment schedules, and supporting documentation demonstrating that land was obtained on market-based terms.
- xxviii. It submitted that the domestic industry has failed to establish the existence of a financial contribution, benefit, or specificity, and therefore the allegations relating to provision of land at LTAR and exemption or reduction of land and water rent deserve to be rejected in entirety.
- xxix. The respondents submitted that no countervailable benefit has been received under the alleged land-related programme. European Plastic Joint Stock Company, Polyfill Joint Stock Company, Nghe An European Plastic One Member Limited Liability Company and Yen Bai European Plastic Joint Stock Company contended that reliance on Thailand land rental benchmarks is legally untenable, as domestic Vietnamese prices must be used unless distortion in Vietnam is first established.
- xxx. VMI submitted that the Authority's finding is unsupported, as it incurred substantial commercial costs for acquiring land use rights, constructing factory infrastructure and developing industrial facilities at its own expense. Such costs were capitalised in its audited financial statements and resulted in depreciation expenses exceeding any alleged notional land rent benefit. VMI further objected that the Disclosure Statement dated

20.03.2026 does not disclose essential calculation elements such as benchmark rate, land area, calculation period and adjustments applied. It also challenged the use of Thailand Board of Investment rental rates, as Thailand and Vietnam differ materially in land ownership systems, economic conditions, infrastructure, geography and industrial development.

- xxxi. ADC submitted that it acquired land at prices approximately 45% above the applicable benchmark values, thereby establishing absence of any benefit. It further submitted that there is no evidence of exemption, reduction, waiver or preferential treatment in respect of land or water rent, and all payments were made in accordance with applicable laws at commercially determined rates. In the absence of any financial contribution by the Government of Vietnam, the threshold requirement for establishing a subsidy itself is not met.
- xxxii. The respondents further submitted that no evidence has been placed on record to show any direct transfer of funds or revenue foregone by the Government of Vietnam, such as full or partial waiver of land charges. The Disclosure Statement also ignores that the Government of Vietnam merely prescribes a floor or circle rate, while actual purchase price is determined by market forces, subject only to the condition that it cannot fall below such floor rate. This is a normal regulatory practice followed in several countries, including India, and does not establish subsidisation.
- xxxiii. A major objection concerns the benchmark adopted by the Authority. The respondents submitted that Nakhon Nayok Province, Thailand is not comparable with Van Tien commune, Yen Bai Province, Vietnam, where the factory is located. Van Tien is a developing rural area about 200 km from Hanoi, whereas Nakhon Nayok is a developed province in central Thailand, around 100 km from Bangkok, with mature tourism and infrastructure facilities. The respondents submitted that population density is not the proper basis for comparison; the relevant criterion is level of development. The proposed Thai benchmark is more than 1,000 times the actual rent paid by the respondent, which itself shows that the benchmark is distorted, incomparable and misleading.

	<b>Particulars</b>	<b>Van Tien commune, Yen Bai Province, Vietnam</b>	<b>Nakhon Nayok Province, Thailand</b>
i	Location	Rural Area	Central Thailand
ii	Distance from capital city	200 km from Hanoi	100 km from Bangkok
iii	Scale	Small administrative unit	Entire administrative province
iv	Level of development	Developing rural area	Mature; international-standard resorts, water parks, and part of a UNESCO World Heritage site (Khao Yai).
v	Benchmark Claimed (\$ per M2 per Annum)	-	50.53
vi	Benchmark as no. of times of actual rent	*** Times	No comparable area can have *** times difference in rent

- xxxiv. The respondents submitted that the subsidy margin under this scheme has always been assessed less than 0.5%. This can be cross-checked from the recent findings issued by DGTR mentioned below. In this case, the alleged subsidy margin on this account has

been calculated as 5%, which is more than 10 times higher than what has been determined earlier by the Authority. Illustrative list of the investigations is provided below for the ready reference of the Authority:

- a. Welded Stainless-Steel Pipes and Tubes originating in or exported from China PR and Vietnam [F. No. 7/23/2023-DGTR dated 15 June, 2024] Welded
  - b. Welded Stainless Steel Pipes and Tubes originating in or exported from China PR and Vietnam [F. No. 6/22/2018-DGAD dated 31 July, 2019]
  - c. Textured Tempered Glass originating in or exported from Vietnam [F. No. 6/32/2023-DGTR dated 11 February, 2025]
- xxxv. On specificity, the respondents submitted that the finding is unsupported because the Disclosure Statement dated 20.03.2026 merely states that the programme is region-specific and limited to encouraged sectors. However, the respondents' project does not fall under any encouraged sector, and no evidence has been provided by the domestic industry to prove otherwise.
- xxxvi. Lastly, the respondents relied on the Australian Anti-Dumping Commission's termination of the anti-subsidy investigation concerning Aluminium Zinc Coated Steel from Vietnam, wherein no subsidy was found in respect of the same / similar land-related programme. They submitted that this supports their position that the alleged programme does not confer a countervailable benefit.

118. The domestic industry has made the following submissions with respect to this:

- i. The domestic industry submitted that the Government of Vietnam provides land-use rights to enterprises at less than adequate remuneration through various schemes involving reduced land rents, full or partial exemptions from land rent, and reductions or exemptions from land and water surface rent.
- ii. These measures are granted under government frameworks applicable to enterprises investing in identified regions, industrial zones, or projects classified as encouraged industries under Vietnamese law.
- iii. The domestic industry submitted that such measures constitute a financial contribution within the meaning of Article 1.1(a)(1)(iii) of the SCM Agreement and Section 9 of the Customs Tariff Act, 1975, as they involve the provision of goods, namely land, and also involve government revenue foregone in the form of exemptions or reductions in land and water rent.
- iv. The provision of land at reduced rent or with rent exemptions confers a benefit on the recipient enterprises, as the terms and conditions of such land-use rights are more favourable than those prevailing under market-determined conditions.
- v. The subsidy is specific within the meaning of Article 2 of the SCM Agreement, as access to such exemptions or reductions is limited to enterprises located in particular regions, industrial zones, or undertaking projects classified as encouraged under Vietnamese investment policy.
- vi. The domestic industry submitted that the parties' contention that the land program is not applicable because land was taken on lease rather than purchased is legally untenable. Article 1.1(a)(1)(iii) of the SCM Agreement covers provision of goods irrespective of the mode of provision, whether by sale, lease, or concession.
- vii. The relevant legal inquiry is not whether land was purchased or leased, but whether the terms and conditions of the land lease reflect adequate remuneration as determined by prevailing market conditions.
- viii. The domestic industry has alleged the existence of schemes involving preferential land pricing, exemptions, reductions, and administered land-use levies, all of which must be examined by the Authority to determine whether remuneration is adequate.

- ix. Where parties claim that no benefit has been availed, the Authority may rely on the confidential questionnaire responses, land lease agreements, and verification records submitted by the participating foreign producers to determine applicability and benefit, if any.
- x. The domestic industry submitted that the Government of Vietnam provides land rent exemptions either for the entire lease period or for a limited number of years, as well as rent reductions for certain enterprises, under various decrees governing land administration and investment promotion.
- xi. These exemptions and reductions result in government revenue foregone and confer a direct benefit on recipient enterprises, thereby satisfying the definition of a subsidy
- xii. The domestic industry relied on the Authority's findings in the countervailing duty investigation concerning imports of Copper Tubes and Pipes from Malaysia, Thailand and Vietnam, wherein the Authority held that the Government of Vietnam's provision of land at LTAR and exemptions or reductions of land and water rent constituted a financial contribution and conferred a benefit.
- xiii. In that investigation, the Authority further held that such land-related measures were specific, as they were limited to enterprises located in particular regions and to projects falling within encouraged sectors.
- xiv. The domestic industry submitted that the same reasoning and legal principles apply in the present investigation, as the structure, design, and operation of the Vietnamese land incentive framework remain comparable.
- xv. The domestic industry further submitted that investigating authorities in other jurisdictions have also treated similar Vietnamese land programs as countervailable subsidies.
- xvi. In this regard, the domestic industry relied on the findings of the United States Department of Commerce in the countervailing duty investigation concerning Frozen Warmwater Shrimp from Vietnam, wherein USDOC determined that Vietnamese domestic land rent data was distorted by state intervention.
- xvii. In that investigation, USDOC relied on out-of-country benchmarks published by the Thailand Board of Investment in the "Cost of Doing Business in Thailand 2023" report to determine appropriate market-based land rents.
- xviii. The domestic industry submitted that the Thailand Board of Investment data was considered the best available information by USDOC, as it provided market-based industrial land rental rates in a comparable regional context.
- xix. In the present case, the domestic industry proposed to adopt rental rates for industrial and logistics properties reported in the "Cost of Doing Business in Thailand 2023" report as the appropriate external benchmark.
- xx. The data in the Board of Investment report is presented on a regional basis. To identify the appropriate comparable region, the domestic industry submits that population density of regions in Thailand should be compared with the population density of the locations where the Vietnamese producers' factories are situated.
- xxi. The domestic industry submitted that the same methodology was adopted by USDOC in the Frozen Warmwater Shrimp investigation and represents a reasonable and transparent approach to identifying comparable regions.
- xxii. As the Thailand Board of Investment has not published a "Cost of Doing Business" report for 2024, the domestic industry submits that the benchmark land rents for 2024 should be derived by adjusting the 2023 BOI rental rates using Vietnam's inflation index.
- xxiii. The benefit should be quantified as the difference between the land rent that would have been payable at these benchmark rates and the rent actually paid by the producers of the PUC in Vietnam after accounting for any exemptions or reductions.

- xxiv. In cases where full land rent exemption has been granted, the domestic industry submits that the entire benchmark rent amount should be treated as the benefit conferred during the relevant period.

**The Authority has examined the submissions below:**

***Financial Contribution & Benefit***

119. The Authority considers that the form of provision (sale, lease, concession, sub-lease) is not determinative for the purpose of examining a financial contribution. Where land-use rights are made available within a government-administered framework and/or where exemptions/reductions in land and water rents are granted pursuant to legal instruments, the Authority has examined whether such measures involve provision of land-use rights by or at the direction of the Government and/or involve foregone revenue that is otherwise due.
120. The Authority notes that land is owned by the Government of Vietnam and price of land is determined by them. The Authority further notes that the land rent exemption/reduction measures relied upon by the domestic industry constitute government revenue foregone. The Authority in its past Anti-subsidy investigation concerning namely “Welded Stainless-Steel Pipes and Tubes” and “Continuous Cast Copper Wire Rods” has already determined that countervailing duty should be imposed against these programs.
121. The issue of program-wise applicability to the individual responding producers/exporters is examined on the basis of their questionnaire responses and supporting documents.

***Specificity***

122. The Authority considers that measures limited to enterprises operating in identified regions, industrial zones, or designated investment-incentive areas. In view of the aforesaid, the Authority notes that this program is also specific because it is region specific and is limited to certain encouraged sectors. The Authority holds that countervailing duty should be imposed against this subsidy program.

***Benchmark***

123. In the present investigation, the Authority has examined the documentary evidence placed on record by the responding producers/exporters, including lease agreements, payment schedules, and details of any exemptions/reductions. The Authority noted that the government of Vietnam granted rebate in land rates to the manufactures of the PUC.
124. Accordingly, for the purpose of the present program, the Authority considered the normal rates prevailing in Vietnam i.e., without rebates as appropriate benchmark.

***Subsidy Margin***

125. The Authority notes that, in terms of Rule 12 of the CVD Rules, countervailable subsidies are calculated in terms of the benefit conferred on the recipient which is found to exist during the period of investigation.

126. Accordingly, for the responding producers/exporters found to have availed land-related benefits during the POI, the Authority has computed the benefit by comparing (i) the benchmark rentals based on normal land rates that would have been payable under market-consistent conditions for comparable industrial land-use rights, with (ii) the rent actually paid after accounting for any exemptions or reductions.

**List of schemes identified in the form of tax exemptions and rebates**

**Program 3 - Exemption on Corporate Income Tax for Enterprise**

127. The other interested parties have made the following submissions with respect to this:
- i. The other interested parties submitted that the corporate income tax (“CIT”) exemptions or reductions alleged by the domestic industry are general policy measures under Vietnamese law and are available to all enterprises that meet objective statutory criteria. It is submitted that such measures do not satisfy the requirement of specificity under Article 2 of the SCM Agreement.
  - ii. ADC Plastic JSC submitted that the only incentive availed by it during the POI was a general investment-linked CIT exemption applicable for a limited period of six months. This exemption arises automatically under the Law on Corporate Income Tax No. 32/2013/QH13 and the Law on Investment No. 61/2020/QH14, which confer eligibility based on objective investment thresholds, without regard to export performance, industry, region, foreign ownership, or enterprise size.
  - iii. The parties submitted that the CIT incentive is wholly non-specific, as confirmed by the Investment Registration Certificate and tax records.
  - iv. The parties submitted that the domestic industry has failed to establish de jure or de facto specificity. The statutory instruments governing the CIT incentives apply horizontally across the Vietnamese economy and are neither directed at the plastics industry nor contingent upon exportation, localization, or foreign investment. It further submitted that no discretion is exercised by the administering authority to favour certain enterprises, as eligibility is determined solely on the basis of objective legal criteria.
  - v. Reliance was placed on the Appellate Body report in United States – Softwood Lumber IV, wherein it was held that general government policies that incidentally affect market conditions cannot be treated as financial contributions or as entrustment or direction. The parties submitted that economic effects alone, absent evidence of targeted transfer of economic resources or preferential treatment to particular enterprises, are insufficient to establish the existence of a subsidy under the SCM Agreement.
  - vi. It further submitted that, even assuming arguendo that the Authority were to treat the CIT incentive as specific, the quantum of benefit conferred during the POI is minimal.
  - vii. The parties submitted that the Authority must consider only the actual benefit accrued during the POI and cannot annualize or extrapolate benefits beyond the investigation period.
  - viii. The parties further submitted that the CIT incentives are not contingent upon export performance and therefore cannot be treated as export subsidies under Article 3.1(a) of the SCM Agreement. It submitted that the benefit applies at the enterprise level and is not linked specifically to the production or export of the product under consideration.
  - ix. It submitted that similar general tax incentive frameworks exist in several jurisdictions, including India. Both Vietnam and India apply a standard corporate tax rate supplemented by generally available investment-linked incentives such as tax holidays, reduced rates, and R&D deductions. There is no evidence to show that Vietnamese

- enterprises receive a systematically more favourable tax regime compared to Indian enterprises.
- x. The parties relied on past determinations of the Authority, including Polyester Yarn from China PR and Cold Rolled Flat Steel Products from Korea, where it was held that general tax benefits available under national law do not constitute countervailable subsidies in the absence of enterprise-specific or industry-specific targeting.
  - xi. Any assessment of benefit must be recipient-specific and based on actual tax liability, taking into account taxable income, depreciation, loss carry-forwards, and applicable tax credits. The domestic industry's approach of presuming the statutory tax rate as the benchmark without examining the actual tax base and effective tax rate is legally unsustainable.
  - xii. Certain parties submitted that they have not availed any CIT exemption or reduction during the POI and that they paid corporate income tax at the standard rate of 20% and did not receive any tax benefit. Other parties similarly submitted that they neither applied for nor received any benefit under the alleged CIT exemption schemes.
  - xiii. The GOV submits that the relevant policies form part of a generally applicable legal framework and are not specific to certain enterprises or industries.
  - xiv. VMI stated that it paid corporate income tax at the standard statutory rate of 20% throughout the period of investigation and did not receive any tax exemption or preferential reduction. VMI submitted that its tax filings and payment records confirmed the absence of any countervailable tax benefit.
  - xv. European Plastic Joint Stock Company, Polyfill Joint Stock Company, Nghe An European Plastic One Member Limited Liability Company and Yen Bai European Plastic Joint Stock Company submitted that the CIT-related incentives are not countervailable, as they are not linked to inputs consumed in the production of the exported product.
  - xvi. ADC has submitted that while it has disclosed the availment of a limited corporate income tax exemption for a portion of the POI, the Authority's treatment of this measure as a countervailable subsidy is legally unsustainable and contrary to the framework of the SCM Agreement. The corporate income tax regime in Vietnam is a general fiscal measure applicable across sectors and industries. The exemption relied upon by the Authority is part of a broader, economy-wide tax framework and is not limited to a specific enterprise or industry. Accordingly, the requirement of specificity under Article 2 of the SCM Agreement is not satisfied. The Respondent reiterates that the alleged benefit is minimal and, when properly allocated, is de minimis in nature. The Authority has not engaged with this submission, nor has it demonstrated that the quantum of benefit is sufficient to warrant countervailing measures. Further, the Authority has not undertaken any analysis to examine whether the tax treatment received by ADC deviates from the normal taxation regime applicable in Vietnam. In the absence of such benchmark analysis, it cannot be concluded that any benefit has been conferred. The treatment of a general tax measure as a countervailable subsidy, without establishing specificity and without quantifying a meaningful benefit, is contrary to settled principles under the SCM Agreement and the CVD Rules.
  - xvii. An Tien has submitted that its submissions regarding corporate income tax has not been examined properly. The respondent has not availed any income tax benefit as evidenced from the following facts. Therefore, the proposal to impose the corporate income tax subsidy on the respondent is completely wrong and misleading.
    - a) 20% is the normal / regular corporate income tax rate in Vietnam during the period of investigation as also confirmed by the Government of Vietnam in its questionnaire response.

- b) The company has paid the corporate income tax at the normal rate of 20% during the POI as evidenced from the Income Tax Return filed with the Authority as part of the verification documents.
- c) The proposed corporate income tax subsidy is misleading and incorrect as evidence as the company overpaid income tax in both FY 2023 / FY 2024 as evidenced from the Income Tax Return filed with the Authority.

xviii. Without prejudice to the above, it is submitted that the Authority has not even mentioned the program of the Government of Vietnam under which corporate income tax has been countervailed. It is submitted that delay in the payment of income tax cannot be countervailed as no subsidy provided by the Government of Vietnam.

128. The domestic industry has made the following submissions with respect to this:

- i. The domestic industry submitted that Vietnam provides preferential CIT rates and tax holidays to certain enterprises under the Law on Enterprise Income Tax. The statutory corporate income tax rate in Vietnam is 20%. Enterprises qualifying under incentive schemes are either exempt from payment of CIT for an initial period or are taxed at reduced rates.
- ii. It submitted that such preferential treatment results in foregone government revenue that would otherwise have been collected at the statutory rate of 20% and thereby confers a benefit on the recipient enterprises. This constitutes a financial contribution in terms of Article 1 of the SCM Agreement and Section 9 of the Customs Tariff Act, 1975.
- iii. The said subsidy is specific, as access to such exemptions or reduced rates is limited to enterprises meeting defined eligibility conditions relating to particular sectors, regions, project characteristics, or government-prioritised activities. These conditions result in the benefit being available only to a limited set of enterprises in practice.
- iv. The domestic industry denied the parties' contention that CIT exemptions are general and non-specific. It submitted that even investment-linked tax exemptions framed in neutral statutory language may be de facto specific under Article 2.1(c) of the SCM Agreement if, in practice, they are limited to certain enterprises, sectors, or regions.
- v. The parties' own admission of having availed CIT exemption or reduction during the POI establishes the existence of both a financial contribution and a benefit. The existence of a subsidy does not depend on the magnitude of the benefit, and arguments that the benefit is small or time-limited are irrelevant for determining whether the program is countervailable.
- vi. The Authority is required to examine the actual benefit accrued during the POI based on verified tax records. Where parties claim that the benefit is de minimis, such claims must be assessed and confirmed by the Authority on the basis of confidential financial and tax data.
- vii. Under Law No. 14/2008/QH12, the standard CIT rate in Vietnam was initially 25%, which was subsequently reduced to 20% with effect from 1 January 2016 pursuant to Law No. 32/2013/QH13. This statutory rate of 20% applies to all enterprises that do not qualify for preferential treatment.
- viii. The Government of Vietnam has introduced schemes under which certain enterprises are granted complete exemption from CIT for an initial period of two to four years, followed by reduced CIT rates ranging between 10% and 20% for extended periods that may last up to 30 years. Eligibility for these schemes is based on criteria such as sectoral focus, regional location, project size, and alignment with government priorities including high technology, infrastructure, research, and agriculture.

- ix. Where enterprises pay CIT at a rate below the statutory rate of 20%, the government foregoes revenue otherwise due, and a benefit is conferred on such enterprises. This interpretation is consistent with Article 1 of the SCM Agreement and Annexure IV of the CVD Rules.
- x. The Authority was requested to calculate the amount of countervailable subsidy by comparing the actual tax paid with the tax that would have been payable at the statutory rate.
- xi. Similar approach has been adopted by investigating authorities in other jurisdictions. Reference was made to the investigation on Frozen Warmwater Shrimp, wherein the statutory corporate tax rate was treated as the benchmark and preferential rates were compared against it to determine the benefit.

**129. The Authority has examined the submissions below:**

***Financial contribution***

130. Based on the verified tax records and questionnaire responses of the participating producers/exporters, the Authority finds that, to the extent a participating producer/exporter has availed CIT exemption or reduction resulting in payment of CIT below the normal statutory treatment during the POI, the program involves a financial contribution in the nature of foregone government revenue otherwise due.

***Benefit***

131. The Authority finds that, to the extent the participating producers/exporters have paid CIT at a rate lower than the normal statutory CIT rate of 20%, or have paid no CIT during the relevant part of the POI due to an incentive, a benefit is thereby conferred, measurable as the difference between the CIT payable under normal statutory treatment and the CIT actually paid during the POI.

***Specificity***

132. Based on the operation of the incentive schemes as evidenced on record, the Authority finds that the CIT exemption/reduction program is specific, as access to the benefit is limited to enterprises meeting defined eligibility criteria linked to identified regions/industrial zones and/or qualifying project categories, and the benefit is not available to all enterprises under identical conditions.

***Benchmark***

133. The Authority holds that the appropriate benchmark for measuring benefit under this program is the normal statutory CIT rate of 20%, applied to the verified taxable income/tax base for the POI, with due consideration of recipient-specific tax computations reflected in the verified tax records.

***Subsidy Margin***

134. The subsidy amount for this program has been computed for each participating producer/exporter on the basis of verified tax filings, tax computation statements, and supporting accounting records for the POI, by determining (i) the benchmark tax liability at the normal statutory treatment, (ii) the actual tax liability and tax paid during the POI,

and (iii) the difference between the two as the benefit.

**Program 4 - Exemptions from import duties on raw materials, machinery and equipment**

135. The other interested parties have made the following submissions with respect to this:

- i. The allegation relating to import duty exemption on raw materials under is not applicable to the responding producers/exporters. None of the respondents applied for, or availed, any import duty exemption or reimbursement for raw materials or capital goods/machinery during the POI or the injury period. All imports of raw materials and capital goods were already subject to nil customs duty under various Free Trade Agreements, upon submission of valid certificates of origin. Duty foregone under an FTA does not constitute a countervailable subsidy.
- ii. The parties did not receive any separate or additional import duty exemption linked to their operations. Item-wise import duty screenshots, bills of entry, and duty-free import records were submitted to demonstrate that imports were cleared at zero duty solely by operation of FTAs and not under any subsidy scheme.
- iii. The Government of Vietnam submitted that import duty exemption on inputs used in the manufacture of exported products does not, per se, constitute a countervailable export subsidy. Reliance is placed on Annex I(i) of the SCM Agreement, which clarifies that remission or drawback of import charges on inputs consumed in the production of exported products is not countervailable, provided such remission does not exceed the duties actually levied on the imported inputs.
- iv. The Government of Vietnam further submitted that earlier determinations alleging lack of an effective tracking system in Vietnam are no longer valid. Vietnam has established a comprehensive customs control and verification mechanism to track the import, consumption, and use of duty-free raw materials for export production. Reference was made to Decree 08/2015/ND-CP, Circulars 38/2015/TT-BTC and 39/2018/TT-BTC, and Decree 59/2018/ND-CP, which prescribe obligations on producers and customs authorities.
- v. The Government of Vietnam submitted that producers importing raw materials for export production are required to (i) notify customs authorities of production facilities and storage locations, (ii) maintain norms of material consumption for each product, (iii) keep detailed records of stock-in, stock-out, and leftovers of imported materials, and (iv) reconcile such records with accounting documentation. Importers are stated to bear legal responsibility for the accuracy of such records and declarations.
- vi. It further submitted that customs authorities are empowered to receive and examine these records, conduct facility inspections, verify inventories, and undertake post-clearance audits based on risk management criteria. Where irregularities or trade fraud are suspected, customs authorities may impose duties and penalties in accordance with law. It contended that this system enables customs authorities to verify whether duty-free imported inputs are actually used in exported products.
- vii. The Government of Vietnam submitted that this customs verification framework is comparable to systems adopted in other jurisdictions. It argued that, if the domestic industry disputes the effectiveness of Vietnam's system, it must demonstrate how Vietnam's system materially differs from or is less effective than India's customs system. In the absence of such proof, the program should not be treated as countervailable.
- viii. Individual responding producers/exporters submitted that they have not availed any import duty exemption or remission on raw materials during the POI. Since no

exemption or remission was availed by them, the essential elements of a subsidy, financial contribution and benefit, are absent in their case.

- ix. The parties further submitted that the petitioner's allegation that import duty exemptions constitute revenue foregone is incorrect. The petitioner's proposal to treat statutory duty rates as benchmarks, and to allocate benefits on a recurring basis for inputs or over an assumed average useful life (AUL) for capital goods, is hypothetical and unsupported by evidence in the absence of any actual exemption availed.
- x. With respect to capital goods, it was submitted that allocation over an AUL may be relevant only if an exemption is actually availed. Even otherwise, the petitioner's assumption of a uniform AUL of eight years for all machinery is arbitrary and inconsistent with DGTR practice. AUL must be asset-specific and supported by evidence such as audited records or applicable depreciation schedules.

**136. The domestic industry has made the following submissions with respect to this:**

- i. Under Decree No. 134/2016/ND-CP, the Government of Vietnam provides exemptions from import duties on raw materials, machinery, and equipment used for production and export. Such exemptions involve foregone government revenue that would otherwise have been collected in the form of customs duties and therefore constitute a financial contribution within the meaning of the SCM Agreement and the CVD Rules.
- ii. Import duty exemptions on raw materials constitute recurring subsidies, as raw materials are imported on a continuous and repetitive basis for production. Each instance of duty-free import of raw materials results in revenue foregone by the government and confers a benefit on the recipient enterprises.
- iii. Under WTO law and DGTR practice, import duty exemptions on inputs consumed in the production of exported goods may be treated as non-countervailable only where there exists a properly implemented and verified system ensuring that duty-free inputs are limited strictly to the quantities consumed in exported goods. In the absence of such a verified system, or where its implementation is inadequate, the entire duty exemption must be treated as countervailable.
- iv. It is incumbent upon the participating producers/exporters of the PUC in Vietnam to demonstrate, through their questionnaire responses and supporting evidence, the specific raw materials imported, the quantities consumed in production, and the manner in which any duty exemption was applied. Where such evidence is absent, incomplete, or unverifiable, the Authority must treat the entire duty foregone as a countervailable subsidy.
- v. Reliance was placed on DGTR's past practice, including the countervailing duty investigation concerning imports of "Fiberboards" from Indonesia, Malaysia, Thailand, Vietnam and Sri Lanka, wherein import duty exemptions on raw materials were treated as countervailable in the absence of effective verification of consumption of duty-free inputs in exported goods.
- vi. For raw materials the appropriate benchmark is the statutory import duty rate applicable to the relevant raw material during the POI. The benefit should be calculated as the difference between the statutory duty payable and the duty actually paid. Where no duty is paid, the entire statutory duty foregone should be treated as the benefit.
- vii. With respect to machinery and equipment, import duty exemptions constitute non-recurring subsidies, as machinery and equipment are typically imported once and then used over their useful life. Although the exemption occurs at a single point in time, the benefit continues to accrue over the period during which the asset is used in production.
- viii. WTO law and DGTR practice recognize that import duty exemptions on capital goods are countervailable even if such goods are used for production of exported products. The

- benefit conferred is the duty foregone at the time of import, which must be allocated over the Average Useful Life (AUL) of the machinery or equipment.
- ix. The benchmark for machinery and equipment should be the statutory customs duty applicable at the time of import. The benefit is the difference between the duty that would have been payable at the statutory rate and the duty actually paid.
  - x. The DGTR's Manual of Operating Practices for Trade Remedy Investigations expressly provides that benefits from non-recurring subsidies, such as duty exemptions on capital assets, should be considered over the AUL of the relevant tangible or intangible assets used in production.
  - xi. The domestic industry has proposed an AUL of eight years, consistent with established DGTR practice, including in the Fiberboards investigation. Accordingly, any benefit arising from import duty exemptions on machinery and equipment should be allocated over an eight-year period to determine the portion of the benefit attributable to the POI.
  - xii. The Authority must examine whether any such non-recurring subsidies on machinery and equipment were availed by producers of the PUC in Vietnam during the period from 1 April 2016 to 31 March 2024, as non-recurring subsidies received in earlier years but continuing to yield benefits during the POI remain countervailable.
  - xiii. The Authority may rely on confidential import data, bills of entry, duty payment records, and questionnaire responses to verify whether any import duty foregone constitutes a financial contribution and benefit.

**The Authority has examined the submissions below:**

137. The Authority notes that none of the respondents applied for, or availed, any import duty exemption or reimbursement for raw materials or capital goods/machinery during the POI or the injury period. All imports of raw materials and capital goods were already subject to nil customs duty.
138. Accordingly, the Authority has not examined the countervailability of this particular program.

**List of schemes identified in the form of interest rate subsidies**

**Program 5 - Preferential Lending for Investor**

**Program 7 - Preferential Lending to the Exporters**

**Program 8 - Interest Rate of Investment Credit Loans**

**Program 9 - Investment Support on Foreign Investors Establishing SMEs**

**Program 10 - Export Credits from the Vietnam Development Bank (VDB)**

**Program 11 - Financial Guarantees by Vietin Bank**

139. The other interested parties have made the following submissions with respect to above programs:
  - i. The producers/exporters submitted that the allegation regarding preferential lending for investors is not applicable to them, as none of the responding producers/exporters have availed any loans from the Vietnam Development Bank ("VDB").
  - ii. Some of the interested parties have submitted that they have not availed any concessional or export-linked loans from state-owned banks, SBV, or VDB during the POI. SBV's interest-rate ceilings and related measures are general monetary policy tools of economy-wide application and do not constitute subsidies or demonstrate specificity.

- iii. Some of the interested parties submitted that they are not eligible under the SME framework, as their capital investment exceeds the thresholds for classification as small or medium enterprises. Consequently, the program does not apply to them.
- iv. The parties submitted that they have not availed any export credit or export-linked financing from the VDB during the POI or at any other relevant period. The other interested parties also submitted that they have not availed any financial guarantees from Vietin Bank or any other state-owned bank during the POI. There is no lending or guarantee relationship with Vietin Bank.
- v. Some of the interested parties submitted that the loans availed during the POI were obtained from private commercial banks at market-determined interest rates on arm's length terms. Documentary evidence of such commercial borrowings has been placed on record to demonstrate the absence of any concessional or government-directed lending.
- vi. The existence of a policy framework for preferential lending does not, by itself, establish countervailability. A benefit can arise only where a loan is provided on terms more favourable than those available on the market, which has not been demonstrated in the present case.
- vii. The GOV submits that the investigated exporters did not receive any actual measurable benefit and that subsidy findings should be based on verified evidence demonstrating the existence of a real and measurable benefit to the enterprises concerned, rather than assumptions or theoretical calculations.
- viii. VMI maintained that it had not received any loans from state-owned banks, the Vietnam Development Bank, or any preferential government financing program during the period of investigation. VMI stated that all financing arrangements during the relevant period were obtained from private commercial banks at market interest rates and that documentary evidence supporting these facts had already been submitted to the Authority during verification. VMI therefore argued that no financial contribution or benefit existed under these programs and requested the Authority to assign a zero subsidy margin accordingly.
- ix. An Tien stated that it did not receive any preferential loans or interest-rate benefit. It argues that the Disclosure Statement dated 20.03.2026 has not properly examined the evidence showing that no direct transfer of funds was made by Vietnamese state-owned banks, and that treating ordinary loans from state-owned banks as financial contribution would wrongly imply that loans from public sector banks in India, such as SBI, are also subsidies. An Tien further submits that its projects/products are not covered under Decree No. 32/2017/ND-CP, and that its local currency loans were obtained from both state-owned and private foreign banks at market-driven interest rates. The comparable rates charged by both categories of banks demonstrate that no preferential rate or countervailable benefit was conferred.
- x. The rate of interest of the foreign currency (USD) loans is determined by the international benchmark (LIBOR) and not by the regulations / decree of Government of Vietnam. This is the reason that no interest subsidy is determined by the Authority on foreign currency loans in the past investigations like Fiberboard.
- xi. As regards benchmark, it is proposed in the disclosure statement dated 20.03.2026 that "Authority proposes to adopt interest rate provided by Bank of India branch in Vietnam which is not a state-owned bank in Vietnam." It means that interest rate of foreign private bank is proposed to be considered as a benchmark. It is submitted that interest rate of Vietnam branch of Bank of India as a benchmark is arbitrary and does not take in to account parameters like whether the loan is secured or not, tenure of loan, credit rating, industry risk etc. It may also be noted that that the supporting documents provided for the Bank of India interest rate clearly mentions that "The above rates are

for reference and negotiable from case-to-case basis". Therefore, the same cannot be considered as a benchmark

- xii. Without prejudice to the submission of the respondent that it has not availed any interest subsidy, it is submitted that the respondent has also taken loan from \*\*\* (Private Foreign Bank) and \*\*\* (Private Foreign Bank). Therefore, the actual interest rate of the same shall be considered for the determination of the subsidy margin of the respondent as the interest rate varies on account of above-mentioned factors.

140. The domestic industry has made the following submissions with respect to this:

- i. Lending by a government-owned or government-directed financial institution constitutes a financial contribution in the form of direct transfer of funds. Where such loans are extended at concessional interest rates, they confer a measurable benefit on the recipient enterprises.
- ii. The Government of Vietnam provides preferential lending to investors through the VDB under Decree No. 75/2011/ND-CP. Under this program, eligible enterprises can obtain loans at interest rates lower than those available from commercial banks. The state-owned banks in Vietnam extend export-linked loans to exporters at concessional interest rates under the policy direction and regulatory control of the State Bank of Vietnam.
- iii. Plastic manufacturing is classified as a support industry. Consequently, producers engaged in plastic manufacturing are eligible to access investment credit loans under this program, and the program is applicable to producers of the PUC.
- iv. The Government of Vietnam provides investment support to enterprises establishing small and medium-sized enterprises under the Law on Assistance for Small and Medium-Sized Enterprises. These legal instruments lay down the framework for granting financial assistance to eligible SMEs, irrespective of whether such enterprises are owned by domestic or foreign investors.
- v. The Government of Vietnam operates an export credit program. Under this program, eligible exporters are provided loans of up to 85% of the value of export contracts, thereby directly linking the availability of credit to export activity.
- vi. The financial guarantee program offered by Vietin Bank constitutes a countervailable subsidy. By providing guarantees on loans, Vietin Bank assumes credit risk that would otherwise be borne by commercial lenders. Such guarantees improve the creditworthiness of recipient enterprises producing the PUC and enable them to access financing at lower interest rates, or on terms that may not have been available in the absence of such guarantees.
- vii. The difference between the concessional interest rate charged and the market-determined commercial interest rate represents the benefit conferred, and the foregone interest revenue constitutes revenue forgone by the government.
- viii. For determination of the benefit, the appropriate benchmark is the interest rate charged by private commercial banks in Vietnam for comparable loans. Only by comparing the concessional lending rate with such commercial rates can the Authority determine what the recipient would have paid in the absence of government intervention.
- ix. The Authority was requested to examine evidence of commercial lending rates in Vietnam, including rates charged by private banks operating in Vietnam and publicly available indicators such as World Bank interest rate data, to establish a reliable benchmark for benefit calculation.

**The Authority has examined the submissions below:**

### ***Financial Contribution***

141. Authority notes that VDB and other state-owned banks in Vietnam are a public body because it is owned and controlled by the Government of Vietnam and exercises Governmental authority. Loans granted by VDB or any other state-owned bank are in the nature of financial contribution in the form of direct transfer of funds.
142. When a financial institution that is owned or controlled by the government provides loans, this amounts to a financial contribution through the direct provision of funds. If these loans are offered at below-market interest rates, they give the receiving companies a quantifiable advantage.
143. The Authority in the past Anti-subsidy investigation against Vietnam concerning “Welded Stainless Steel Pipes and Tubes”, “Continuous Cast Copper Wire Rods”, “Copper Tubes and Pipes” and “Fiberboards”, have held these programs as countervailable. The question of whether a given producer/exporter has received such a financial contribution during the POI is examined on the basis of verified company-specific records.

### ***Benefit***

144. The Authority considers that, where loans are availed and are at rates more favourable than comparable commercial lending available in the Vietnamese market to the recipient, such lending confers a benefit within the meaning of Annexure IV of the CVD Rules and Article 14(b) of the SCM Agreement. The existence and quantum of benefit for each responding producer/exporter is determined on the basis of verified loan documentation and comparison with an appropriate commercial benchmark.

### ***Specificity***

145. The Authority considers that these programs are specific within the meaning of Rule 9 and Article 2, since access to the program is limited to enterprises/projects meeting the eligibility conditions prescribed in the related project lists and related criteria, and is therefore not generally available to all enterprises across the economy without restriction.

### ***Benchmark***

146. The Authority considers that the appropriate benchmark for determining the benefit is the interest rate on a comparable commercial loan available in Vietnam to the recipient during the POI. The applicants proposed to adopt interest rate provided by Bank of India branch in Vietnam which is not a state-owned bank in Vietnam. However, it is noted from the supporting evidence provided by the applicants that the proposed rates are for reference purposes only and are negotiable on case-to-case basis. The proposed rate does not consider parameters like whether the loan is secured or not, tenure of loan, credit rating, industry risk etc. Therefore, the same is not considered as a benchmark.
147. It is noted from the questionnaire response filed by the producers / exporters that they have taken loan from both state-owned banks and private foreign (non-Vietnam) banks during the POI. Accordingly, the Authority adopts the actual interest rate (pertaining to

POI) of private foreign banks operating in Vietnam as an appropriate benchmark.

### ***Subsidy Margin***

148. The Authority determines that countervailing duty should be imposed against credit provided by VDB and other local banks of Vietnam. The Authority proceeds to compute company-specific subsidy margins under Preferential Lending based on the verified loan data of each responding producer/exporter and the benchmark determined above, and includes the resulting margins in the subsidy computation tables.

### **List of schemes identified in the form of other financial incentives**

#### **Program 2 - Master Plan for Development of Vietnam's Plastic Industry**

149. The other interested parties have made the following submissions with respect to this:
- i. The parties submitted that they have not availed any benefit under the alleged Master Plan for Development of Vietnam's Plastic Industry. The Master Plan is described as a planning document outlining the Government of Vietnam's long-term vision to develop a coordinated plastic industry from raw material production to finished goods. The Master Plan identifies certain priority or beneficiary projects, none of which cover the respondents or the product under investigation. This is also evident from their Investment Registration Certificates, which do not record any benefit or linkage to the Master Plan.
  - ii. The Master Plan is a high-level industrial policy or strategy document and does not, by itself, constitute a subsidy program. It does not contain any operative mechanism for granting financial contributions, such as budgetary allocations, grants, preferential loans, tax incentives, guarantees, or reimbursements. A policy framework cannot be treated as a countervailable subsidy unless it establishes a concrete scheme involving financial contribution and confers a measurable benefit on identifiable enterprises. In the absence of such operative provisions, the Master Plan cannot be considered a subsidy within the meaning of the CVD Rules or the SCM Agreement.
  - iii. Master Plan does not mandate or provide for any direct or indirect transfer of funds, revenue foregone, provision of goods or services, or price/income support. The parties submitted that they have not received any preferential loans, tax benefits, trade promotion assistance, training support, infrastructure support, or any other form of financial assistance pursuant to the Master Plan. The petitioners are stated to have produced no evidence of any disbursement, transaction, or measurable advantage. Consequently, both the elements of financial contribution and benefit are asserted to be absent.
  - iv. The Master Plan applies broadly to the entire plastic industry value chain in Vietnam, including raw materials, intermediate inputs, finished products, additives, and ancillary industries. Such a sector-wide policy does not meet the requirement of specificity, as it is not limited to certain enterprises, groups of enterprises, regions, or products, nor does it involve discretionary selection of beneficiaries. On this basis, the Master Plan is claimed to be non-specific and therefore not countervailable.
  - v. Reliance by the domestic industry on prior DGTR findings concerning other countries' market development or industrial plans is misplaced. Those cases involved clearly defined schemes with actual budgetary allocations and reimbursable grants, unlike the Vietnamese Master Plan, which merely sets out

policy objectives without any automatic or operational financial assistance mechanism.

- vi. Even if any downstream initiatives were hypothetically linked to the Master Plan, the parties have not availed any such initiative during the POI. In line with DGTR practice, where a program is not used by a party, the benefit attributable must be treated as nil.

150. The domestic industry has made the following submissions with respect to this:

- i. The Government of Vietnam has introduced a Master Plan for the Development of Vietnam's Plastic Industry with the stated objective of building and developing a synchronous plastic industry, progressing step by step from raw material production to final product processing. The Master Plan aims to transform the plastic industry into a strong economic sector with sustainable growth. Its objectives include mobilising domestic and foreign investment for production of raw materials, semi-finished products, chemicals and additives; producing high-quality plastic materials and products; and encouraging investment in plastic material manufacturing.
- ii. The Master Plan envisages and provides for multiple forms of support to plastic industry participants. These include preferential loans from the government, establishment of development and technology support funds for priority projects, enhanced trade promotion and market research support, partial state support for training of technical personnel, and strengthening of export promotion activities. The Master Plan also contemplates eligibility of plastic industry projects for investment incentives similar to those granted to key mechanical engineering industries, including access to investment credit covering up to a significant portion of total investment costs. Further, it provides for government-backed guarantees, support for infrastructure development in industrial zones, and adjustment of import duties on raw materials and finished plastic products to promote industry growth.
- iii. The measures outlined in the Master Plan involve direct transfers of funds, provision of services, and foregone government revenue in the form of tax and duty incentives. These measures, taken together, constitute financial contributions by the Government of Vietnam. The benefit to recipient enterprises arises from access to concessional finance, grants, guarantees, tax relief, training subsidies, trade promotion assistance, and infrastructure support, which reduce production and investment costs compared to market conditions.
- iv. The PUC is an important raw material used in plastic products and therefore falls squarely within the scope of encouraged products under the Master Plan. The production of such raw materials is specifically promoted through incentives relating to investment, finance, infrastructure, and import tariff adjustments. As a result, producers of the PUC are eligible to receive, and benefit from, the support measures contemplated under the Master Plan.
- v. The support measures under the Master Plan are limited to identified sectors and activities within the plastic industry value chain. By targeting the plastic industry and its upstream raw materials, including PUC, the program is sector-specific and therefore, meets the specificity requirement for countervailability.
- vi. The Authority has, in prior countervailing duty investigations, treated similar market development or industry-specific plans as countervailable subsidies, even where respondents claimed non-availment. In such cases, the Authority has examined the design and scope of the program and held the measures to be countervailable where they involved financial contribution and benefit to a defined sector. On this basis, the

- domestic industry submits that the Master Plan for Development of Vietnam's Plastic Industry constitutes a countervailable subsidy program.
- vii. The benefit under this program should be measured as the actual amount of financial assistance received by producers of the PUC or, where applicable, the amount of government revenue foregone through tax and duty incentives, guarantees, or concessional financing provided pursuant to the Master Plan.

**The Authority has examined the submissions below:**

151. The Authority notes that none of the participating producer/exporters have availed benefit under this program. Therefore, the Authority has not examined the countervailability of this program.

**Program 6 - Export Promotion Program**

152. The other interested parties have made the following submissions with respect to this:
- i. The responding producers/exporters submit that although the Government of Vietnam operates an Export Promotion Program providing support for export-related activities, the parties have not participated in, applied for, or availed any assistance under this program during the period of investigation. It is stated that the Petitioner has sought investigation of this program without placing prima facie evidence on record demonstrating actual receipt of benefits by any party.
  - ii. It is acknowledged that the Export Promotion Program is stated to provide partial cost support for export promotion activities, including reimbursement of up to 50% of expenses for hiring experts for export development, participation in trade fairs, consultancy, and related promotional initiatives. The Petitioner has also alleged the existence of an export-related tax incentive of 6% on exports of the PUC, though the Respondents contend that the Petitioner itself admits to having limited information and has not substantiated this claim with documentary evidence or statutory provisions demonstrating such an incentive in practice.
  - iii. No financial contribution exists in their case, as no grants, reimbursements, subsidies, tax incentives, refunds, or other financial inflows from the Government of Vietnam have been received. It is emphasized that audited financial statements, accounting records, bank ledgers, and statutory filings of the Respondents for the POI do not contain any entries reflecting receipts or benefits under any export promotion or national trade promotion scheme. They did not engage in activities such as export consultancy, trade fair participation, or advisory services that would qualify for reimbursement under the alleged program.
  - iv. National trade promotion programs in Vietnam are general government functions aimed at enhancing the country's overall trade profile and international visibility. Such measures include market studies, trade fairs, branding initiatives, dissemination of information, and export-related advisory support, which are available across sectors and are not limited to exporters of the product under consideration. Such general promotional activities, even where undertaken by the government, do not constitute specific subsidies and are not targeted at any particular enterprise, industry, or group of enterprises.
  - v. Export Promotion Program is not specific within the meaning of the SCM Agreement or the CVD Rules, as access to the program is based on broad, economy-wide criteria and is not limited to a particular industry, product, or group of exporters. The mere fact that certain enterprises may choose to participate does not render the program specific, and

the Petitioner has not demonstrated either de jure or de facto specificity in respect of exporters of the PUC.

- vi. The alleged program is not contingent upon export performance in the sense required under WTO law. Participation in trade promotion activities does not depend on achieving export volumes, export values, or export targets, and does not automatically confer financial rewards linked to export performance. There is no evidence of any linkage between exports of the PUC and receipt of financial assistance.
- vii. All applicable taxes were paid in accordance with statutory requirements, and no reduction in tax liability or export-linked fiscal benefit was received. In the absence of any tax concession, there is no revenue foregone by the Government of Vietnam in relation to the Respondents.
- viii. The discussions on benchmarking are premature and academic, as benchmarking under the CVD framework arises only after the existence of a financial contribution and benefit is established. Since no benefit has been received by the Respondents under the Export Promotion Program, there is no basis for undertaking any benchmark comparison.
- ix. The burden lies on the Petitioner to demonstrate actual disbursement, receipt of benefit, and specificity. The Petitioner has relied on generalized references to government programs without producing transaction-level evidence showing that any Respondent received support under the Export Promotion Program.

153. The domestic industry has made the following submissions with respect to this:

- i. The Government of Vietnam operates export promotion measures under the National Trade Promotion Program, established by Decision 279 and governed by Decision 80. These measures are designed to support exporters, including exporters of the PUC, and therefore, constitute countervailable subsidies.
- ii. Export Promotion Program involves direct transfers of funds by the Government of Vietnam in the form of financial assistance for export promotion activities. This includes reimbursement of up to 50% of expenses incurred by enterprises for hiring experts to advise on export development and related services. Such reimbursements constitute direct transfers of funds within the meaning of Annexure IV of the CVD Rules and Article 1 of the SCM Agreement.
- iii. The program also entails foregone government revenue, as exporters are provided tax-related incentives linked to export activity. By reducing the tax liability of exporters based on the value of their exports, the Government of Vietnam forgoes revenue that would otherwise have been due under the statutory tax framework. This reduction in tax liability confers a benefit by lowering operating costs and enhancing export competitiveness.
- iv. The benefit under the Export Promotion Program arises in two forms:
  - (a) in cases of direct transfers of funds, the benefit is equal to the actual amount of financial assistance received by the enterprise; and
  - (b) in cases of foregone revenue, the benefit is the difference between the statutory tax liability and the reduced liability after application of the export-linked incentive.
- v. The export promotion programs are, by their very nature, contingent upon export activity and are therefore specific. The availability of benefits is linked to engagement in export promotion and export-related activities, satisfying the specificity requirement under the SCM Agreement and the CVD Rules. Such programs are export-contingent and thus countervailable.
- vi. While certain parties have claimed that they did not participate in any export promotion schemes or receive benefits, the domestic industry submits that non-participation is a

matter of verification. The Authority is requested to rely on confidential records, government disbursement data, and verification findings to determine whether any financial assistance or tax benefit was in fact received during the POI.

- vii. Annexure IV of the CVD Rules provides clear guidance on benchmarking. For direct transfers of funds, the benchmark is the actual amount of financial assistance received by the enterprise. For measures involving foregone revenue, the benchmark is the statutory tax liability that would have been payable in the absence of the incentive. The benefit is the difference between the statutory liability and the reduced liability after application of the export promotion measures.

**The Authority has examined the submissions below:**

154. The Authority notes that none of the participating producer/exporters have availed benefit under this program. Therefore, the Authority has not examined the countervailability of this program.

**CVD Schemes in Vietnam**

155. In view of the foregoing, the Authority concludes that the Vietnamese producers are benefited from countervailable subsidies. On the basis of the investigations conducted, facts on record, and the investigations conducted in the past, and considering absence of full cooperation from few of the Vietnamese participating producers/ exporters of PUC, Authority quantified various subsidy schemes and margin of subsidies therein as shown in table below. It is seen by the Authority that the quantum of CVD margins is above de-minimis.
156. With respect to Filler Masterbatch Joint Stock Company (“FMJSC”), the Authority notes that the producer/exporter has furnished the details/information in the questionnaire format/additional questionnaire format for the calendar year January 2023 to December 2023 instead of Period of investigation i.e., April 2023 to June 2024. The Authority notes that FMJSC did not provide information in the given format and has failed to co-operate with the Authority. Therefore, the Authority has not granted an individual subsidy margin to FMJSC.
157. Additionally, Authority notes that following producers/exporters of PUC from Vietnam namely, GCC Minerals, JSC, Viet Trung Plastic Chemical Joint Stock Company and Megaplast Joint Stock Company have failed to furnish relevant information in the original as well as additional questionnaire response issued by the Authority during the course of investigation and have failed to co-operate with the Authority. Therefore, the Authority has not granted the individual margins to above mentioned producers/exporters.

**SUBSIDY MARGIN TABLE**

Sl No	Producer	Program. No. 1 - Supply of Limestone at LTAR	Program 3 - Exemption on Corporate Income Tax for Enterprise	Program. No. 5, 7, 8, 10,11 - Preferential Lending	Program. No. 13 Government Provision of Land at LTAR And Exemption/ Reduction of Land and Water Rent	Total

		Subsidy margin			Subsidy margin			Subsidy margin			Subsidy margin			Subsidy margin		
		USD /MT	%	Range	USD /MT	%	Range	USD /MT	%	Range	USD /MT	%	Range	USD /MT	%	Range
1	European Plastic Joint Stock Company (“EuroPlast” ),	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10
2	Yen Bai European Plastic Joint Stock Company (“Yenbai”)	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10
3	Nghe An European Plastic One Member Limited Liability Company (“Nghe”)	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10
4	Polyfill joint stock company (“Polyfill”) (collectively referred to as “Europlast Group”)	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10
	W Avg for Euro Plast Group	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10
5	ADC Plastic,JSC	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10
6	An Tien Industries Joint Stock Company	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10
7	Vitaplas Joint Stock Company (Vitaplas)	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10
8	Vietnam Industrial Minerals Joint Stock Company	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10
9	US Masterbatch Joint Stock Company	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10
10	US Masterbatch Joint Stock Company – Hung Yen Branch	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10
	(collectively referred to as “US Masterbatch Group”)	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10	***	***	0-10
11	Others	***	***	10-20	***	***	0-10	***	***	0-10	***	***	0-10	***	***	20-30

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## **G. EXAMINATION OF INJURY AND CAUSAL LINK**

### **G.1. Submissions made by other interested parties**

158. The following submissions have been made by the other interested parties on the issue of injury and causal link:

- i. The other interested parties submitted that the petition does not establish material injury to the domestic industry or the existence of a causal link between alleged subsidisation and the condition of the domestic producers. It was submitted that the Authority must undertake a causation and non-attribution analysis before recommending countervailing duties.
- ii. Rule 13 of the CVD Rules mirrors Article 15.5 of the SCM Agreement, which requires demonstration that subsidised imports are causing injury “through the effects of subsidies” based on examination of all relevant evidence and further requires the Authority to examine other known factors injuring the domestic industry and ensure injuries from such factors are not attributed to subsidised imports.
- iii. The petition does not satisfy these mandatory requirements and should therefore be rejected.
- iv. Although the petition alleges price undercutting, price suppression, and volume-based injury, it does not provide reliable evidence that imports from Vietnam exerted significant price pressure on the domestic industry.
- v. The domestic industry itself acknowledges that the PUC varies considerably in composition, including calcium carbonate content, polymer base, and additive structure. The price comparisons require “like-for-like” adjustments for grade, functionality, and specifications, which the petition does not undertake.
- vi. The price undercutting methodology in the petition is simplistic and does not meet the evidentiary threshold because it does not account for product differences. The price undercutting has consistently shown positive trends, and despite this, the domestic industry has not changed its behaviour to avert losses. This indicates losses are driven by internal competition among domestic producers rather than imports from Vietnam.
- vii. The petition does not demonstrate significant price depression. There is no data showing domestic prices fell during the injury period, and no evidence that domestic producers attempted to raise prices but were prevented from doing so by imports.
- viii. The petition itself states that PUC forms only a miniscule share of cost for downstream plastics products and that polymer/resin costs are dominant determinants of pricing. The stability or modest increases in domestic prices aligned with input cost trends cannot constitute price depression.
- ix. Price suppression cannot be established without showing that domestic prices would have increased “but for” imports. The petition provides no such counterfactual analysis.
- x. The petition fails to show a direct or consistent correlation between import prices and domestic pricing behaviour. The petition itself acknowledges substantial influence of raw material price fluctuations, including resin and calcium carbonate

- inputs, on costs during the injury period, and these factors are independent of imports and must be excluded from injury attribution.
- xi. The petition does not establish displacement of domestic sales by imports from Vietnam. The market for PUC has been expanding, providing room for both domestic producers and imports.
  - xii. Annexure IV-A in the petition does not show a precipitous decline in output over the years that would normally indicate injury caused by import surges. Many domestic producers maintained or increased production levels.
  - xiii. Where imports rose, this coincided with increases in nationwide demand rather than loss of domestic market share. The petition itself refers to operational constraints faced by domestic producers, including the fragmented structure of the industry and shutdowns during the COVID-19 period.
  - xiv. The imports are filling a supply gap that domestic producers could not meet, whether due to capacity constraints or commercial decisions, cannot constitute injury.
  - xv. The petition acknowledges imports under HS Code 3824 99 00 from other countries, but attributes the alleged injury entirely to Vietnamese imports. Without analysing the price and volume effects of non-subject imports, the Authority cannot satisfy the non-attribution requirement under Rule 13 of the CVD Rules and Article 15.5 of the SCM Agreement.
  - xvi. The petition identifies certain non-import factors but does not analyse and exclude their effects from the injury narrative. The factors identified by interested parties included internal competition among numerous domestic producers, pricing strategies adopted by domestic firms, changes in demand patterns, variations in production efficiency, downstream market fluctuations, contraction in demand or changes in patterns of consumption, developments in technology, export performance, and productivity.
  - xvii. The Indian market is fragmented with significant inter se domestic competition, and that aggressive price competition among domestic producers can influence pricing behaviour, profitability, and capacity utilisation independent of imports.
  - xviii. The domestic producers operate with excess capacity and low-capacity utilisation, creating oversupply and downward pressure on prices independent of imports.
  - xix. The product segmentation, including the price differential between calcium carbonate masterbatch (PUC) and colour masterbatch, and higher margins in colour masterbatch, can distort profitability and injury assessment if not properly segregated.
  - xx. The smaller producers, including MSMEs, are vulnerable to aggressive domestic competition, and any financial strain may arise from these structural conditions rather than from imports.
  - xxi. The petition shows price undercutting by subject imports remained consistently positive across all years, including during the POI, and that despite stable undercutting levels the domestic industry allegedly reported increased losses during the POI. It was contended that this disconnect indicates injury is not attributable to Vietnamese imports.
  - xxii. Reliance was placed on WTO and domestic jurisprudence to submit that the Authority must “separate and distinguish” the injurious effects of other known factors and quantify or explain their nature and extent relative to subject imports.
  - xxiii. Even in the domestic industry’s own data, most injury parameters show improvement from the base year and preceding years, and therefore the applicants have not established injury.

- xxiv. Based on the injury information, the domestic industry's capacity increased from 415,302 MT in the base year to 475,748 MT in the POI (annualised).
- xxv. The production increased from 252,179 MT in the base year to 303,862 MT in the POI (A), and that productivity also increased.
- xxvi. capacity utilisation increased from 61% in the base year to 64% in the POI (A).
- xxvii. Domestic sales increased from 190,683 MT in the base year to 223,632 MT in the POI (A).
- xxviii. Domestic selling price per unit increased from an index of 100 in the base year to an index of 112 in the POI (A).
- xxix. Where some factors may have declined, such declines cannot be attributed to imports from Vietnam and are instead due to internal factors such as inefficiencies of domestic producers and increased depreciation and interest costs.
- xxx. The petition does not provide positive evidence of subsidisation in the subject country and consequential injury to the domestic industry, and therefore no injury finding can be made.
- xxxi. The petitioner's injury analysis is legally inadequate because it relies predominantly on import volume trends without establishing the mandatory causal link between alleged subsidisation and injury, contrary to the requirement to examine all relevant economic factors.
- xxxii. The import volumes may change for various commercial reasons not related to subsidies, including buyer procurement strategies, inventory adjustments, seasonal or cyclical demand, temporary domestic supply shortages, exchange rate movements affecting landed price parity, shifts in demand for quality or cost-efficient imports, and downstream demand fluctuations.
- xxxiii. The petitioner has not provided transaction-level evidence showing that alleged subsidies translated into lower export prices or any pass-through from subsidy to export pricing.
- xxxiv. One interested party submitted that its exports are too small to cause injury and claimed that, even on the petitioner's estimates, its exports represent 0.98% of India's demand and 5.15% of Vietnam's exports to India and therefore cannot materially affect a domestic industry of the scale alleged in the petition.
- xxxv. One interested party claimed that its export price to India is higher than its domestic price and higher than its export prices to other destinations, indicating no price pressure on the domestic industry.
- xxxvi. Due to incoherent, uneven, and allegedly non-compliant data and excessive confidentiality claimed by the domestic industry, they are not in a position to offer meaningful comments on injury and causal link at this stage. It was submitted that meaningful comments can be offered only after proper information for the proper period is provided in line with Trade Notices.

## **G.2. Submissions made by the domestic industry**

- 159. The following submissions have been made by the domestic industry on the issue of injury and causal link:
  - i. The domestic industry submitted that the determination of injury and causal link in a countervailing duty investigation is governed by Rule 13 read with Annexure I of the CVD Rules, which requires an examination based on positive evidence and an objective evaluation of (a) the volume of subsidised imports and their effect on prices in the domestic market for like products, and (b) the consequent impact of these imports on domestic producers.

- ii. The domestic industry provided the data on imports from the subject country, Indian demand, Indian production, and import share.
- iii. The domestic industry submitted that the data shows a consistent increase in imports from the subject country in absolute terms and an increase in their share in the Indian market both relative to demand and relative to Indian production.
- iv. Imports increased from 48,155 MT in 2020–21 to 63,043 MT in 2021–22 and further to 1,00,122 MT in 2022–23 and then increased to 2,20,912 MT during the POI. Indian demand increased from 6,30,693 MT in 2020–21 to 10,87,076 MT in the POI, but Indian production increased from 6,06,939 MT in 2020–21 to 8,94,395 MT in the POI.
- v. The growth in domestic production was lower than growth in demand, indicating displacement by imports from the subject country.
- vi. Subject imports' share in demand increased from 8% to 20% and their share relative to production increased from 8% to 25% over the injury period, reflecting increasing penetration and replacement of domestic production.
- vii. The volume effect is evident because incremental demand was increasingly captured by imports from the subject country, limiting the domestic industry's ability to supply Indian consumers despite expanding demand.
- viii. The domestic industry submitted the data showing significant and positive undercutting throughout the injury period and the POI, indicating that landed prices of subject imports undercut domestic selling prices.
- ix. The domestic industry was forced to sell below cost of sales in all years, resulting in losses throughout the injury period. The persistent gap between landed prices and domestic selling prices, together with sales below cost, demonstrates price suppression and price depression.
- x. In accordance with Paragraph 7 of Trade Notice No. 09/2021 as amended by Trade Notice No. 11/2021, the Authority selected the following entities as sampled domestic producers for determination of injury margin:
  - (i) Soltex Petro Products Ltd.;
  - (ii) Alok Masterbatches Pvt. Ltd.;
  - (iii) Alok Industries; and
  - (iv) Kandui Industries Pvt. Ltd.
- xi. The sampled domestic producers filed the information required for determination of non-injurious price. It was submitted that the weighted average combined non-injurious price for PCN A, PCN B and PCN C has been claimed to be in the range of 400–550 USD/MT.
- xii. The domestic industry expanded capacity to meet increasing demand from the plastics industry. During the POI, actual production and sales declined compared to the previous year due to increased low-priced subsidised imports from the subject country.
- xiii. The capacity utilisation fell in the POI and that despite increasing demand, a significant portion of capacity remained unused. Over the injury period the domestic industry operated at around 60%–70% capacity.
- xiv. The applicant domestic industry's market share declined from 30% in the base year to 26% in the POI, while the subject country's market share increased from 8% to 20% over the same period.
- xv. The imports from other countries were negligible, and the increase in import share was mainly from the subject country. This increase is linked to the large volume of subsidised imports from the subject country, which became more aggressive in the last few years and during the POI.

- xvi. The lost market share and could not sell at reasonable prices despite having sufficient capacity to meet the entire demand in India.
- xvii. The profit, cash profit and return on investment remained negative throughout the injury period and losses increased with the highest losses in the POI. Losses increased sharply due to aggressive subsidisation of subject imports.
- xviii. The average inventory increased consistently over the injury period and rose sharply in the POI.
- xix. All volume parameters show negative growth in the POI, and all price parameters show negative growth over the injury period and the POI. Increasing inventory and declining market share show adverse impact of subsidised imports.
- xx. Although domestic industry expanded capacities, it is unable to utilise the existing capacities and is incurring losses due to aggravated subsidisation. The industry is therefore reluctant to make fresh investments in the subject goods unless existing capacities are fully utilised.
- xxi. Threat of material injury must be based on facts and not on allegation, conjecture, or remote possibility, and reliance was placed on Article 15.7 of the SCM Agreement and Clause (3) of Annexure I of the CVD Rules.
- xxii. There are specific facts indicating a threat of material injury due to subsidies provided by the Government of Vietnam to Vietnamese producers/exporters, including export promotion schemes and policies that make raw materials (including limestone/calcium carbonate) available at subsidised prices, and also include utilities at less than adequate remuneration, tax incentives, cheaper land and electricity and similar support.
- xxiii. These subsidies enable exports to India at subsidised prices, causing material injury and threat of material injury to the domestic industry in India.
- xxiv. The domestic industry submitted that increasing export tax rates on limestone, reaching 30% from July 2024, indicate that the threat is likely to intensify.
- xxv. The Master plan for development of Vietnam's plastic industry focuses on trade promotion in export markets and adjustment of import tax rates to boost the plastics industry indicates likelihood of increased subsidised exports to India, creating a foreseeable and imminent threat of material injury.
- xxvi. The data shows a significant rate of year-on-year increase in subsidised imports from the subject country during the injury period, indicating likelihood of substantially increased importation in the future.
- xxvii. Vietnamese manufacturers have production capacities exceeding Vietnam's domestic demand and therefore surplus production is intended for export. These excess capacities are far in excess of India's total demand and create a likelihood of substantially increased exports to India.
- xxviii. India represents a significant market, and following are the installed capacities of major Vietnamese producers:
  - a) European Plastics Joint Stock Company – 8,00,000 MT
  - b) US Masterbatch Joint Stock Company – 2,30,000 MT
  - c) Mega Plast Joint Stock Company – 1,40,000 MT
  - d) An tien Industries Industry Joint Stock Company – 96,000 MT
  - e) Pha le Plastics Manufacturing – 4,50,000 MT
  - f) Vitaplas Joint Stock Company – 48,000 MT
- xxix. These producers are likely to target India to utilise surplus capacity, and that the influx of subsidised imports at suppressing/depressing prices threatens the existence of the domestic industry.

- xxx. The domestic producers were forced to sell below cost and that domestic prices fell in the POI as compared to the previous year on account of imports entering at undercutting prices. The trend of landed prices vis-à-vis domestic prices and cost shows imports are entering at prices with significant depressing/suppressing effect and therefore imports are likely to increase further.
- xxxii. The inventory levels of foreign producers are not publicly available and requested that the Authority verify exporters' inventory levels based on questionnaire responses.
- xxxiii. The domestic industry undertook a structured analysis of other factors, including: (a) volume and prices of non-subsidised imports; (b) contraction in demand or changes in patterns of consumption; (c) competition between foreign and domestic producers; (d) developments in technology; (e) export performance; and (f) productivity.
- a) The imports from other countries did not cause injury because imports from the subject country account for about 99% of total imports into India and imports from other countries constitute about 1%.
  - b) The demand increased over the injury period and therefore injury cannot be attributed to demand contraction.
  - c) The customer negotiations are benchmarked to imported prices and domestic producers are forced to match prices of subject imports; if exporters offer better prices, customers shift to imports.
  - d) There is no injury due to technological changes.
  - e) Exports are insignificant compared to domestic sales and export performance was not considered in determining injury, and therefore injury cannot be attributed to exports.
  - f) The injury analysis pertains only to PUC and excludes profitability of other products, and therefore injury cannot be attributed to performance of other products.
- xxxiv. The injury is not due to other known factors and is caused by subsidised imports from the subject country. Imposition of countervailing duty is necessary.
- xxxv. The contention that injury is attributable to inter se competition among domestic producers is misplaced, and that fragmentation does not negate injury caused by subsidised imports where the data shows significant increase in import volumes coupled with adverse price effects.
- xxxvi. The increased import volume coincides with deterioration in key parameters including market share, profitability, cash flows and inventories, establishing injury through volume effect.
- xxxvii. The contention that price undercutting is "stable" is misleading, as persistent and significant undercutting itself indicates price pressure, and injury is aggravated when such undercutting operates over substantially increased volumes.
- xxxviii. The price undercutting reached 25–30% during the POI, which suppresses domestic prices and prevents recovery of costs.
- xxxix. The arguments on unused capacity and low-capacity utilisation ignore displacement, and the relevant issue is whether capacity could be utilised in the presence of subsidised imports. It was submitted that incremental demand was captured by low-priced imports, preventing proportionate increase in production and utilisation.
- xl. The objections on inability to comment due to confidentiality are unfounded, as sufficient non-confidential information including indexed trends and injury parameters has been disclosed to enable reasonable understanding, confidentiality has been claimed in accordance with Trade Notices and the CVD Rules, and the Authority has power to verify confidential information. Confidentiality does not vitiate the injury analysis and does not warrant restarting investigation timelines.

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

160. Rule 13 of the CVD Rules read with Annexure I to the CVD Rules provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry,

*“(1) In the case of imports from specified countries, the designated authority shall give a further finding that the import of such article into India causes or threatens material injury to any industry established in India, or materially retards the establishment of an industry in India.*

*(2) Except when a finding of injury is made under sub-rule (3), the designated authority shall determine the injury, threat of injury, material retardation to the establishment of an industry and the casual link between the subsidised import and the injury, taking into account inter alia, the principle laid down in Annexure I to the rule.*

*(3) The designated authority may, in exceptional cases, give a finding as to the existence of injury even where a substantial portion of the domestic industry is not injured if - (i) there is a concentration of subsidised imports into an isolated market, and (ii) the subsidised imports are causing injury to the producers of almost all of the production within such market.”.*

161. Further, in considering the effect of the subsidized imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the subsidized imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the subsidized imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, return on investment, the magnitude and margin of subsidization, etc. have been considered in accordance with Annexure I of the CVD Rules.

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

163. As regards the various arguments of other interested parties based on the statements and data provided by the domestic industry, the Authority has relied upon the verified data of the domestic industry for the purpose of the present final findings.

#### **G.3.1. Volume effect of the subsidized imports**

##### **a) Assessment of demand/apparent consumption**

164. For the purpose of injury analysis, the Authority has relied on the transaction wise import data procured from DG Systems. For determination of demand/apparent consumption of the product in India, the Authority has considered the sum of the domestic sales of the applicants, other producers and imports from subject country and imports from other countries. The demand/apparent consumption so calculated is as under:

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI (A)
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1	Imports from Vietnam	MT	48,182	62,228	94,458	1,81,824
2	Imports from other countries	MT	207	27	969	5,702
3	Domestic Sales (Applicant)	MT	1,90,683	2,40,084	2,32,183	2,23,632
4	Domestic Sales (Other producers including supporters)	MT	3,91,758	4,19,307	4,37,761	4,64,831
5	Indian Demand	MT	6,30,830	7,21,645	7,65,372	8,75,988

165. It is seen that the demand of the PUC has increased significantly during injury period.

**b) Import volume from the subject country relative to production and consumption in India**

166. With regard to the volume of the subsidized imports, the Authority is required to consider whether there has been a significant increase in the subsidized imports, either in absolute terms or relative to production or consumption in India. The import volumes of the subject goods from the subject country and share of subject imports during the injury investigation period are as follows:

S N	Particulars	Unit	2020-21	2021-22	2022-23	POI (A)
1	Imports from Vietnam	MT	48,182	62,228	94,458	1,81,824
2	Imports from other countries	MT	207	27	969	5,702
3	Indian Demand	MT	6,30,830	7,21,645	7,65,372	8,75,988
4	Indian Production	MT	6,06,939	6,78,391	6,96,823	7,15,516
5	Subject country import in relation to -					
A	Indian Demand	%	8%	9%	12%	21%
B	Indian Production	%	8%	9%	14%	25%

167. It is seen that imports of subject goods from Vietnam have increased in absolute terms throughout the injury period while there are negligible imports from other countries. The imports from Vietnam in terms of Indian demand and Indian production have also consistently increased during the injury period.

**G.3.2. Price effect of the dumped imports**

168. In terms of Annexure I (ii) of the Rules, with regard to the effect of the subsidized imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the subsidized imports as compared with the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

**a) Price undercutting**

169. Price undercutting has been determined by comparing the net sales realization of the

domestic industry with the landed price of the imports for the POI. The table below shows the same-

<b>Particular</b>	<b>UOM</b>	<b>POI (A)</b>
Net Selling Realisation	Rs. / MT	***
Landed Price	Rs. / MT	25,760
Price Undercutting	Rs. / MT	***
Price Undercutting	%	***
Price Undercutting	Range %	25-35%

170. The Authority notes that the price undercutting is not only positive but also significant.

**b) Price suppression/depression**

171. In order to determine whether the effect of imports is to depress prices to a significant degree or prevent price increases which otherwise would have occurred, the Authority has compared the cost of sales & net sales realization of the domestic industry with the landed price of subject goods.

172. The table below shows the cost of sales, selling price and the landed price of imports of PUC-

<b>Particulars</b>	<b>Unit</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>POI (A)</b>
Cost of Sales	Rs/MT	***	***	***	***
<i>Trend</i>	Indexed	100	117	119	113
Net sales realization	Rs/MT	***	***	***	***
<i>Trend</i>	Indexed	100	115	115	109
Landed Price	Rs/MT	23,926	29,808	29,695	25,760
<i>Trend</i>	Indexed	100	125	124	108

173. It can be seen from the above table that the domestic industry has been selling PUC in the domestic market below its cost of sales thereby incurring losses. The landed prices have been below the domestic selling prices, and sales price is below the cost of sales which exhibiting that domestic industry has suffered price suppression.

**G.3.3 Economic parameters of the domestic industry**

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

**a) Production, capacity, capacity utilization and sales volumes**

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

Particulars	Unit	2020-21	2021-22	2022-23	POI (A)
Capacity	MT	***	***	***	***
Production PUC	MT	***	***	***	***
Capacity Utilization	%	***	***	***	***
Domestic sales	%	1,90,683	2,40,084	2,32,183	2,23,632

176. It is noted that the domestic industry expanded its capacities. There has been an increase in demand of the subject goods in India. The domestic industry increased its capacity utilization marginally in the POI when compared to base year. The domestic industry is operating at \*\*\*% in the POI.
177. Further, the domestic sales and production level of the domestic industry have shown an improvement in the POI when compared to base year.

**b) Market share**

178. The market share of the domestic industry and of imports is shown in the table below:

Particulars	Unit	2020-21	2021-22	2022-23	POI (A)
Share of Applicant Domestic Industry	%	30%	33%	30%	26%
Share of other Indian producers including Supporters	%	62%	58%	57%	53%
Share of subject country	%	8%	9%	12%	21%
Share of Other Countries	%	0.03%	0.00%	0.13%	0.65%

179. It can be seen from the above table that the market share of the domestic industry has declined in the POI (A) as compared to base year, despite having the capacity to meet a much higher share in the Indian demand. Furthermore, the share of other Indian producers including the supporter has also declined throughout the injury period.
180. On the contrary, the market share of the subject country has been consistently increasing throughout the injury period. Further, it is also evident that the market share of imports from other countries is insignificant.

**c) Inventories**

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

Particulars	Unit	2020-21	2021-22	2022-23	POI (A)
Average	MT	***	***	***	***

182. It can be seen that the average inventory of the domestic industry consistently increased

during the injury period.

**d) Profitability, cash profits and return on capital employed**

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

Particulars	Unit	2020-21	2021-22	2022-23	POI (A)
Profit/ (loss)	Rs. Lacs	***	***	***	***
<i>Trend</i>	Indexed	-100	-260	-319	-306
Cash Profit	Rs. Lacs	***	***	***	***
<i>Trend</i>	Indexed	-100	-557	-718	-661
Return on Capital Employed	%	***	***	***	***
<i>Trend</i>	Indexed	-100	-363	-402	-349

184. The profit, cash profits and ROI of the domestic industry have been consistently declining throughout the injury period and the domestic industry is suffering financial losses.

**e) Employment, wages and productivity**

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

Particulars	Unit	2020-21	2021-22	2022-23	POI (A)
Employees	Nos	***	***	***	***
Productivity per employee	MT	***	***	***	***
Salaries and Wages	Rs. Lacs	***	***	***	***

186. The salary and wages paid by the domestic industry have increased over the injury period. The productivity per employee has also declined in the POI.

**f) Growth**

187. All the price parameters of the domestic industry show negative growth over the injury period and POI. The average inventory has also increased over the injury period. The market share of the domestic industry also shows negative growth. The domestic industry is in losses during the injury period.

**g) Impact on the ability to raise capital investments**

188. The Authority notes that, even though the domestic industry has made new investments to increase its capacities to cater to the increasing demand for the PUC in India, it has been unable to utilise its capacities and is facing losses due to subsidised imports. Thus, the ability of the domestic industry to raise capital investments is significantly impaired.

**h) Factors affecting prices**

189. The Authority notes that the volume of imports during the POI was significant and such

imports were at prices significantly below the cost of sales of the domestic industry. Net Sales Realisation of the domestic industry has been severely affected by the subject imports. Thus, the landed value of the subject goods from the subject country is the main factor affecting domestic prices.

**i) Margin of Subsidy**

190. The margin of subsidy is an indicator of the extent to which the subsidized imports can cause injury to the domestic industry. The Authority notes that the subsidy margin is positive for Vietnam.

**G.3.4 Threat of material injury**

191. The Authority has examined the submissions made by various interested parties regarding the scope of investigation concerning threat of material injury.
192. The Authority notes that Rule 13 of the CVD Rules provides that the Authority shall determine whether subsidized imports have caused or are threatening to cause material injury to the domestic industry.
193. The Authority observes that the initiation notification stated that the investigation would examine whether subsidized imports have caused or are threatening to cause material injury to the domestic industry. The scope of investigation as defined in the initiation notification encompasses both material injury and threat of material injury, and the Authority is empowered to examine both aspects based on evidence that emerges during the investigation.
194. The Authority observes that Para (3) of Annexure I to the CVD Rules requires that no determination of threat of material injury shall be made on the basis of mere allegation, conjecture or remote possibility and that the change in circumstances which would create a situation in which the subsidization would cause injury must be clearly foreseen and imminent.
195. The Authority has examined the import data on record and notes that there has been a consistent and significant increase in imports of the subject goods from Vietnam throughout the injury period. The import volumes have more than tripled from the base year to the POI, demonstrating a substantial rate of increase.
196. The data on record shows that Vietnamese producers have substantial production capacity that exceeds domestic demand in Vietnam.
197. The Authority notes that the existence of surplus production capacity in Vietnam, combined with the export orientation of Vietnamese producers as evidenced by increasing exports to India, creates conditions conducive to further substantial increases in exports to the Indian market.
198. The Authority has also examined the price analysis on record and notes that the subject imports have been entering the Indian market at prices that undercut domestic prices, leading to price suppression in the domestic market.
199. The Authority observes that the combination of factors including significant rate of

increase in imports, surplus production capacity in Vietnam, price undercutting and suppression, and deteriorating performance of domestic industry creates conditions where threat of material injury is clearly foreseen and imminent.

## **H. NON-ATTRIBUTION ANALYSIS**

200. Having examined the existence of injury, volume and price effects of dumped imports on the prices of the domestic industry, the Authority has examined whether injury to the domestic industry can be attributed to any factor, other than the dumped imports, as listed under the CVD Rules.

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

201. The Authority notes that imports from non-subject countries are almost negligible. Therefore, the injury is not attributable to imports from third countries.

### **b. Contraction of demand**

202. The demand for the product under consideration has seen an increase. Therefore, decline in demand cannot be a cause of injury. Thus, the domestic industry has not suffered any injury due to a possible contraction in demand.

### **c. Changes in pattern of consumption**

203. There has been no known material change in the pattern of consumption of the product under consideration.

### **d. Conditions of competition and trade restrictive practices**

204. The sales of the subject goods are not restricted in any manner and no restrictive practices have been brought to the notice of the Authority.

### **e. Developments in technology**

205. The Authority notes that there has been no known material change in the technology for the production of the product under consideration.

### **f. Export performance**

206. The Authority has considered the injury data for the domestic operations only for the injury analysis. Therefore, export performance is not the cause of injury to the domestic industry.

### **g. Performance of other products**

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

## **I. MAGNITUDE OF INJURY MARGIN**

208. The non-injurious price of the subject goods produced by the domestic industry as determined by the Authority in terms of the CVD Rules has been compared with the landed value of the exports from the subject country for determination of injury margin during the period of investigation and the injury margin so worked out is as under:

### Injury Margin Table

S. No.	Producer	NIP	Landed Price	Injury Margin	Injury Margin	Injury Margin
		USD/MT	USD/MT	USD/MT	%	Range %
1.	European Plastic Joint Stock Company (“EuroPlast”)	***	***	***	***	20-30
2.	Yen Bai European Plastic Joint Stock Company (“Yenbai”)	***	***	***	***	20-30
3.	Nghe An European Plastic One Member Limited Liability Company (“Nghe”)	***	***	***	***	20-30
4.	Polyfill joint stock company (“Polyfill”)	***	***	***	***	20-30
5.	ADC Plastic.,JSC	***	***	***	***	25-35
6.	An Tien Industries Joint Stock Company	***	***	***	***	20-30
7.	Vitaplas Joint Stock Company (Vitaplas)	***	***	***	***	25-35
8.	Vietnam Industrial Minerals International Joint Stock Company	***	***	***	***	55-65
9	US Masterbatch Joint Stock Company	***	***	***	***	10-20
10	US Masterbatch Joint Stock Company – Hung Yen Branch	***	***	***	***	10-20
11	Others	***	***	***	***	60-70

## **J. USER IMPACT ANALYSIS (INDIAN INDUSTRY’S INTEREST AND OTHER ISSUES)**

### **J.1 Submissions made by other interested parties**

209. The other interested parties have made the following submissions regarding the public interest / Interest of the Indian industry:
- i. The levy of countervailing duty in the present investigation would be contrary to public interest within the meaning of Article 19.2 of the SCM Agreement.
  - ii. Article 19.2 recognizes that the decision to impose countervailing duty, and the level at which it is requested, is discretionary and must take into account representations made by domestic interested parties, including consumers and industrial users, whose interests may be adversely affected.
  - iii. The Authority has already recommended the imposition of anti-dumping duty on imports of Calcium Carbonate Filler Masterbatch originating in or exported from Vietnam with the recommended duty ranging from 0 to 75 USD per MT.
  - iv. The imposition of countervailing duty in addition to the anti-dumping duty would result in a cumulative and excessive trade-restrictive burden, far exceeding what is necessary to address any alleged injury to the domestic industry.
  - v. Trade remedial measures are intended to remedy injury and not to provide over-protection or double protection to the domestic industry. The cumulative imposition of anti-dumping duty and countervailing duty would substantially increase the landed cost of imports and would artificially inflate domestic prices, reduce the availability of

- competitively priced raw materials, and distort market competition to the detriment of downstream users. Such an outcome would be inconsistent with the principles of proportionality and public interest underlying trade remedy law.
- vi. Calcium Carbonate Filler Masterbatch is a critical industrial input used extensively across a wide range of downstream industries, including plastic packaging (rigid and flexible), woven sacks and packaging materials, consumer goods and household products, agricultural films and pipes, automotive and electrical plastic components, and construction and infrastructure-related plastic applications.
  - vii. The product is used to reduce raw material costs, improve processing efficiency, and enhance physical properties of plastic products. Any increase in the cost of this input would have a direct and immediate cascading impact across multiple sectors of the economy.
  - viii. The downstream industries in India are highly sensitive to input cost fluctuations. Imposition of anti-dumping duty has already increased cost pressures on downstream users, and that an additional countervailing duty would further increase production costs, reduce the competitiveness of Indian manufacturers in both domestic and export markets, lead to higher prices for end consumers, and potentially result in reduced production, layoffs, or closure of businesses.
  - ix. Given the widespread use of the subject goods, the adverse effects would extend beyond the domestic masterbatch producers and impact the broader manufacturing ecosystem.
  - x. The Indian market for PUC is highly fragmented, with a large number of domestic producers operating alongside imports. Imports play a crucial role in ensuring supply stability, providing price discipline, and meeting specific quality and consistency requirements of downstream users. Excessive trade remedial measures would restrict supply options and undermine healthy competition in the market, which would be contrary to public interest.
  - xi. Public interest analysis under trade remedy law requires a balancing of interests between domestic producers on the one hand and downstream industries, consumers, and the broader economy on the other. In the present case, any marginal benefit accruing to the domestic industry from the imposition of countervailing duty would be outweighed by the adverse impact on downstream industries and consumers, and such additional costs would ultimately be passed on to consumers in the form of higher prices.
  - xii. The imposition of countervailing duty would be disproportionate and excessive, result in an undue cumulative burden when combined with the anti-dumping duty, and have a significant adverse impact on downstream industries as well as on consumers.
  - xiii. Certain interested parties further contended that the claims made by the applicant domestic industry on issues relating to user impact and public interest are based on assertions, conjectures, and surmises without supporting evidence. No evidence has been provided by the applicant to substantiate its submissions, and that such unsubstantiated claims should not be relied upon for adjudicating the merits of the case.

## **J.2 Submissions made by the domestic industry**

210. The domestic industry has made the following submissions regarding the Public interest / Interest of the Indian industry:
  - i. The objective of countervailing duty is to remove injury caused by unfair subsidization practices and to restore conditions of fair and open competition in the Indian market, which is in the overall interest of the country. The imposition of CVD is not intended to restrict imports, but to neutralize the unfair advantage arising from subsidization.
  - ii. The imposition of CVD may have an impact on price levels, but it does not reduce competition in the Indian market. On the contrary, CVD ensures that competition is

- based on market forces rather than subsidization, prevents further decline of the domestic industry, and helps maintain long-term availability and choice for consumers.
- iii. Assessment of public interest requires the Authority to examine the impact of CVD on availability of the goods, on downstream users, on the domestic industry, and on the general public. Such an assessment must be based on evidence placed on record during the investigation.
  - iv. As a matter of established practice, the Authority relies on information filed by interested parties through User Questionnaires and Economic Interest Questionnaires (“EIQ”) to assess downstream impact. Similar approaches are followed internationally, including in the European Union, where user responses form the basis of the union interest analysis.
  - v. In the present investigation, the Authority issued User Questionnaires and EIQs and invited participation from all interested parties, including users and consumers. However, no downstream user has filed any response to the User Questionnaire or the EIQ.
  - vi. No downstream user has provided any quantified or verifiable information demonstrating adverse impact of CVD on cost of production, pricing, employment, or competitiveness. In the absence of such data, the submissions made by exporters and foreign producers on alleged downstream impact are speculative and unsupported.
  - vii. WTO jurisprudence recognizes the right of investigating authorities to impose strict timelines and to disregard belated submissions. In the present case, no downstream user has availed the opportunity provided during the investigation to place its concerns on record, and any submissions made at a later stage should therefore be rejected.
  - viii. Downstream users of the subject goods are understood to be members of the All India Plastics Manufacturers Association (AIPMA). However, no representation has been filed by AIPMA or by any of its members. The lack of participation indicates that the submissions made by exporters are not representative of the interests of Indian downstream users.
  - ix. The complete absence of responses to the EIQ demonstrates that downstream users do not consider the imposition of CVD to have any material adverse impact on their operations. No quantified information has been placed on record to show that CVD would render downstream industries inefficient or uncompetitive.
  - x. The only quantified and verifiable impact assessment on record is the one provided by the domestic industry itself, which shows that the impact of CVD on downstream users would be minimal. The Authority was requested to rely on this evidence.
  - xi. India has sufficient domestic capacity to meet the entire demand for Calcium Carbonate Filler Masterbatch. The total installed capacity of the Indian industry is estimated at approximately 12–15 lakh MT, while domestic production during the POI (A) was 7,15,516 MT, indicating significant underutilization of capacity.
  - xii. Given the availability of surplus domestic capacity, imports from the subject country are not required to ensure supply stability. The contention that imposition of CVD would restrict availability or disrupt supply is therefore factually incorrect.
  - xiii. It was submitted that public interest analysis must balance the interests of all domestic stakeholders. The domestic industry is highly fragmented and predominantly composed of MSMEs, which play a critical role in employment generation, regional development, and value-chain resilience in India.
  - xiv. The domestic industry submitted that continued subsidized imports threaten the survival of MSME producers. Allowing such imports to erode domestic manufacturing capacity would be contrary to India’s industrial and economic policy objectives and would adversely affect public interest.

- xv. Subsidized imports from Vietnam have already led to adverse structural changes in the Indian market, with several domestic producers either shutting down operations or being compelled to act as white-label manufacturers/suppliers for Vietnamese producers, thereby undermining domestic manufacturing capability.
- xvi. Such developments result in long-term dependence on imports and defeat the objective of fair competition and are contrary to public interest.
- xvii. The subject goods constitute only a small proportion of the total cost of downstream plastic products. No evidence has been placed on record to show that any increase in cost would lead to inflationary pressure or consumer harm.
- xviii. By restoring fair competition and ensuring the viability of domestic producers, imposition of CVD would promote long-term price stability and reliable availability of the product in the Indian market.
- xix. The imposition of countervailing duty would not be contrary to public interest and is necessary to safeguard domestic manufacturing (comprising primarily MSME producers), employment, and long-term market stability.

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

- 211. The Authority notes that the submissions of certain producers/exporters have relied upon Article 19.2 of the SCM Agreement to contend that the levy of countervailing duty would be contrary to public interest, particularly in view of the anti-dumping duty already recommended in the anti-dumping investigation concerning the same product from Vietnam.
- 212. The Authority has examined the contention that the imposition of countervailing duty in addition to anti-dumping duty would result in an excessive and disproportionate trade-restrictive burden. In this regard, the Authority notes that the trade remedial framework applicable in India incorporates the principle of the lesser duty rule, which acts as an in-built safeguard against excessive protection.
- 213. The Authority notes that, in accordance with the applicable rules and consistent practice, the quantum of duty recommended is restricted to the level necessary to remove the injury suffered by the domestic industry. Accordingly, the cumulative impact of anti-dumping duty and countervailing duty is capped by the injury margin determined for the domestic industry and cannot exceed the level required to neutralize the injurious effect of dumping and subsidization.
- 214. The Authority further observes that anti-dumping duty and countervailing duty address distinct unfair trade practices, namely dumping and subsidization, respectively. However, the application of the lesser duty rule ensures that the combined remedial effect does not go beyond the injury margin established on the basis of verified data. This mechanism prevents over-compensation to the domestic industry and ensures proportionality in the imposition of trade remedial measures.
- 215. The Authority considers that public interest/user impact analysis must be undertaken on the basis of evidence and information placed on record by domestic stakeholders whose interests may be affected, including users/consumers/importers, and not on the basis of broad assertions.
- 216. For this purpose, the Authority notes that, in the present investigation, User

Questionnaires and Economic Interest Questionnaires were issued, and the initiation notification an opportunity to all interested parties, including downstream users and consumers, to place relevant data on record regarding any adverse impact of duties on their operations.

217. The Authority notes that no downstream user has filed any response to the User Questionnaire or the Economic Interest Questionnaire. The Authority further notes that no downstream user or user association has provided quantified information regarding the share of the subject goods in their cost structure, the expected impact of duties on cost of production, pricing, employment, or competitiveness, or any other verifiable evidence to substantiate the claim that the levy of countervailing duty would cause material adverse impact.
218. In the absence of such quantified and verifiable information from users, the Authority considers that the claims of injury to downstream industries remain unsubstantiated on the record of the present investigation.
219. The domestic industry provided a quantified impact analysis demonstrating that imposition of countervailing duty would have a negligible impact on downstream users of the product.
- i. HDPE woven sack is one example where PUC is used.
  - ii. As per IS 11652:2017, the ash content in an HDPE woven sack (downstream product) is 5%, which indicates that the finished product has 5% calcium carbonate content.
  - iii. The PUC has approx. 75-85% of the Calcium Carbonate.
  - iv. Therefore, a HDPE woven sack of 1 kg, will have 0.0625 kg (6.25%) of PUC.
  - v. Imposition of any countervailing duty will have negligible impact of **0.001%** on the end product.
220. The Authority notes the argument that duties may restrict availability and supply stability. On this aspect, the Authority notes that the domestic industry has stated that total installed capacity of the Indian industry is estimated at approximately 12–15 lakh MT, while total Indian production during the POI (A) is stated to be 7,15,516 MT, indicating underutilization of capacity.
221. In the absence of quantified evidence from users demonstrating that imports from the subject country are indispensable for supply stability, the Authority considers that the contention of supply disruption due to CVD is not supported by evidence on record.
222. The Authority has noted the submissions that the subject goods are used across multiple downstream applications and that any increase in input cost may be passed through to consumers. However, the Authority also notes the domestic industry's submission that the subject goods constitute a small proportion of total cost of downstream plastic products, and that no downstream user has placed evidence on record to demonstrate the likely cost pass-through, inflationary impact, or loss of competitiveness attributable to countervailing duty. In the absence of such evidence, the Authority considers that the claimed downstream cost impact remains unquantified.
223. The Authority also notes the domestic industry's submissions regarding the structure of the Indian industry and the potential broader implications of continued subsidized

imports, including underutilization of capacity, stress on MSME producers, and alleged structural changes such as closures or conversion to white-labelling. The Authority considers that public interest analysis requires balancing the interests of domestic producers and domestic users, and that the interests of a fragmented domestic manufacturing base, including MSMEs, are also relevant considerations where injury is found due to subsidized imports.

224. The Authority considers that the record indicates availability of domestic production and capacity in India and that no downstream user has demonstrated, with data, that countervailing duty would cause material adverse impact on downstream industries or the general public. Accordingly, the Authority has not accepted the request to refrain from recommending countervailing duty solely on the basis of the public interest submissions made by the producers/exporters.
225. The Authority notes the submission of the domestic industry that the Indian producers of PUC are predominantly MSMEs. The Authority further notes that the fragmented structure of the domestic industry, with a large number of small and medium-scale producers, has already been acknowledged in the initiation of the present investigation and in the application of the procedural framework applicable to fragmented industries.
226. The Authority observes that MSME producers typically operate with limited financial resilience, constrained access to capital, and lower ability to absorb sustained price pressure arising from subsidized imports. Unlike large integrated producers, MSMEs are particularly vulnerable to prolonged price undercutting and price suppression, as such conditions directly affect their viability, cash flows, and ability to continue operations.
227. The Authority considers that protection of MSME producers is a relevant consideration in public interest analysis, particularly where the domestic industry provides employment, supports regional industrial development, and contributes to value addition within the country. The erosion of such an industry due to subsidized imports would have broader economic implications extending beyond the immediate product market.
228. The Authority observes that the submissions made by the producers/exporters have primarily focused on alleged downstream impact, without addressing the consequences of continued injury to the domestic MSME producers. Public interest analysis requires a balanced assessment of the interests of all domestic stakeholders, including the sustainability of domestic manufacturing and employment.
229. In the absence of quantified evidence from downstream users demonstrating material adverse impact, and in view of the evidence on record regarding injury to an MSME-dominated domestic industry, the Authority considers that recommendation of countervailing duty is a necessary and proportionate measure to protect domestic MSME producers from the injurious effects of subsidized imports and to restore conditions of fair competition in the Indian market.
230. Accordingly, the Authority considers that, far from being contrary to public interest, the imposition of countervailing duty serves the public interest by safeguarding domestic MSME manufacturing capability, promoting fair competition, and preventing long-term dependence on subsidized imports.
231. The Authority has considered all submissions regarding public interest and notes that the

fundamental purpose of countervailing duties is to eliminate injury caused to the domestic industry by unfair trade practices so as to establish fair competition in the Indian market.

## 232. Quantification of duty impact analysis:

# Impact of Duty on Calcium Carbonate Filler Masterbatch Users & Consumers in India

Illustrative downstream impact analysis

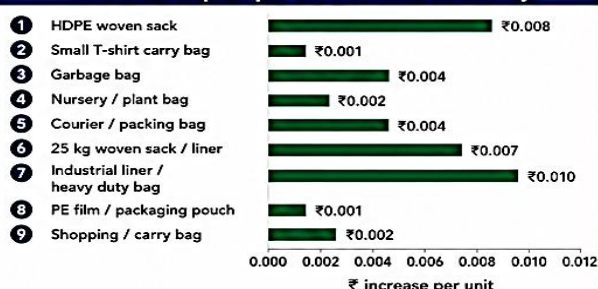


**₹ Illustrative Duty Rate = USD 10/MT = approx. ₹0.97 per kg of filler masterbatch**

**Assumptions:** Exchange rate ₹96.84/USD | Filler masterbatch loading in end products assumed at 10%–20%

#	Product	₹ Indicative Product Value	Article Weight	Filler Masterbatch Content	₹ Impact at Illustrative Duty (₹ increase per unit & % impact)	Impact status
1	25 kg HDPE woven sack	Packed goods value ₹800	80 g	10%	₹0.008 per sack (0.001%)	✓ Low Impact
2	Small T-shirt carry bag	Goods value ₹300	8 g	15%	₹0.001 per bag (0.0003%)	✓ Low Impact
3	Garbage bag	₹15 per bag	20 g	20%	₹0.004 per bag (0.03%)	✓ Low Impact
4	Nursery / plant bag	Plant value ₹20	12 g	20%	₹0.002 per bag (0.01%)	✓ Low Impact
5	Courier / packing bag	Shipment value ₹500	25 g	15%	₹0.004 per bag (0.001%)	✓ Low Impact
6	25 kg woven sack / liner	Packed goods value ₹1,000	70 g	10%	₹0.007 per sack (0.001%)	✓ Low Impact
7	Industrial liner / heavy duty bag	Packed goods value ₹1,125	100 g	10%	₹0.010 per bag (0.001%)	✓ Low Impact
8	PE film / packaging pouch	Packed goods value ₹80	10 g	15%	₹0.001 per pouch (0.002%)	✓ Low Impact
9	Shopping / carry bag	Goods value ₹500	15 g	15%	₹0.002 per bag (0.0004%)	✓ Low Impact

### Absolute impact per unit at illustrative duty



### Consumer Applications

mostly **0.0003% to 0.03%** of product value



### Industrial Applications

around **0.001%** of packed product value



### Analysis

At an illustrative duty of USD 10/MT, the impact works out to only about ₹0.97 per kg of filler masterbatch. Since filler masterbatch is used only in limited proportions, typically 10%–20% of the end product, the duty impact per downstream article remains extremely small. Across the examples shown, the increase ranges from about ₹0.001 to ₹0.010 per unit and generally remains well below 0.03% of product value. This demonstrates that the duty burden is highly diluted in downstream products and is unlikely to materially affect users or consumers.



For most consumer and industrial applications, the impact of duty on calcium carbonate filler masterbatch is generally **below 0.03%** of product value.

## K. POST-DISCLOSURE COMMENTS

### K.1 Submissions by the Government of Vietnam and Other Interested Parties

233. The Government of Vietnam, the participating producers/exporters and other interested parties have, inter alia, made the following post-disclosure submissions:

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- i. The issuance of a revised Disclosure Statement, after the earlier disclosure dated 20 March 2026, was challenged as procedurally impermissible. It was submitted that the Authority could not materially alter the disclosed methodology or margins without disclosing the complete revised calculations and granting sufficient time to comment.
- ii. The time available for filing comments on the revised Disclosure Statement was stated to be inadequate. Certain parties also objected to consideration of any fresh information filed by the domestic industry after disclosure unless the same was placed in the public file and an effective opportunity to rebut it was granted.
- iii. The participating producers/exporters alleged excessive confidentiality in respect of the domestic industry's production, standing, sampling, injury data, non-injurious price, benchmark data and subsidy calculations. It was contended that indexed or consolidated disclosure did not permit an effective defence.
- iv. The standing of the applicant associations and the applicant domestic producers was disputed. It was submitted that the Authority had not disclosed the production shares necessary to establish compliance with Rule 6(3), and that the sampling of four domestic producers was not shown to be representative.
- v. The fifteen-month period of investigation was challenged as exceptional and unsupported by adequate reasons. It was also alleged that the injury analysis could be distorted because some sampled producers manufacture products other than the product under consideration.
- vi. The interested parties did not seek any change to the product scope or the PCN methodology; however, they maintained that all comparisons and margin determinations must remain PCN-specific and based on verified product-specific data.
- vii. The substantial reduction in subsidy margins between the earlier and revised disclosures was relied upon to contend that the first disclosure was based on unreliable benchmarks and assumptions. Certain exporters nevertheless submitted that the revised calculations still did not disclose the complete workings, denominator, allocation basis, exchange rates and adjustments.
- viii. With respect to Program 1, it was submitted that the export tax on limestone is a general fiscal and resource-conservation measure and does not constitute entrustment or direction of private suppliers within Article 1.1(a)(1)(iv) of the SCM Agreement.
- ix. The Government of Vietnam and the exporters submitted that the mere effect of an export tax on domestic availability or price cannot establish a financial contribution. It was argued that the Authority must identify an affirmative governmental act compelling or authorising private bodies to provide limestone or calcium carbonate to the producers of the subject goods.
- x. The respondents contended that they procure calcium carbonate powder from independent private suppliers on arm's-length terms and do not purchase limestone from the Government. Limestone and processed calcium carbonate were stated to be distinct goods, falling under different tariff headings and having different physical characteristics and processing costs.

- xi. It was argued that no pass-through or company-specific benefit analysis was carried out. According to the exporters, any upstream effect on limestone cannot be attributed to a downstream purchaser of processed calcium carbonate unless the Authority establishes, on verified transaction-specific evidence, that the alleged benefit passed through to that purchaser.
- xii. Specificity under Program 1 was disputed on the ground that limestone and calcium carbonate are used across numerous sectors. The respondents submitted that a widely available input or a generally applicable export-tax measure cannot be treated as specific merely because producers of the subject goods use the input.
- xiii. The use of Malaysian export prices of calcium carbonate as an external benchmark was challenged. The respondents questioned comparability in terms of whether the traded material was ground or precipitated calcium carbonate, tariff classification, particle size, purity, coating, whiteness, end use, quantity, level of trade and other commercial conditions.
- xiv. It was submitted that tariff item 28365000 may include chemically defined, precipitated, coated or refined calcium carbonate, whereas several Vietnamese producers use ground calcium carbonate or stone powder. The benchmark was therefore alleged to be product-mismatched and inflated.
- xv. An Tien, US Masterbatch and Vitaplas requested adoption of Egypt as the benchmark source. They submitted that Egypt is a major producer and exporter of calcium carbonate, represents an arm's-length and undistorted market, and supplies calcium carbonate used by the Indian industry.
- xvi. The respondents relied on the alleged shares of Vietnam, Egypt and Malaysia in Indian imports of calcium carbonate during the POI, stated to be approximately 45%, 37% and 13%, respectively. On that basis, Egypt was claimed to be substantially more representative than Malaysia, which was characterised as a comparatively minor source.
- xvii. It was further contended that the domestic industry had acknowledged in the connected anti-dumping investigation that it procures calcium carbonate from Egypt, Vietnam and India. The omission of Egypt from the proposed benchmark exercise was alleged to be selective and intended to produce a higher subsidy margin.
- xviii. Certain respondents stated that the average purchase price of CaCO<sub>3</sub> by Vietnamese producers is USD 35 per MT. However, the applicant industry has proposed FOB benchmark price of around USD 130 per MT. Benchmark Price both for Limestone Lumps as well as CaCO<sub>3</sub> which happens to be more than three times the purchase price even though the extent of alleged subsidization in the form of export tax is a merely 30%. Even assuming but not accepting that the entire extent of export tax of 30% can be considered as countervailable subsidy (which indeed would be in stark contradiction to the established jurisprudence on the issue), the benchmarking price of more than 300%, would be ex facie preposterous.
- xix. The respondents submitted that Egyptian prices, when properly adjusted, demonstrate absence of benefit. They proposed deductions from Egyptian CIF prices for ocean freight, inland freight, port charges, insurance and trader margin, including indicative adjustments of 3% for port charges, 0.05% for insurance and 3% for trader margin. In support of their argument, vide their email dated 23.06.2026, they have submitted the documentary evidence

pertaining to ocean freight charges from Alexandria port in Egypt to Nhava Sheva port in India. The ocean freight provided by them is in the range of 45-55 USD/MT.

- xx. It was argued that the benchmark country need not be geographically proximate and should instead reflect a reliable international market price at a comparable level of trade. Reliance was placed on the Authority's earlier determinations concerning Fiberboards, Atrazine Technical and Saturated Fatty Alcohol, where international or third-country price references were used.
- xxi. The respondents also challenged the conversion of Malaysian CIF values to FOB. They submitted that the difference between the Malaysian CIF price and the alleged local price largely represented freight, port, insurance and trading costs; that calcium carbonate is a high-volume, low-value product; and that only actual, contemporaneous and product-specific freight should be used.
- xxii. Without prejudice, the Government of Vietnam and certain exporters requested reliance on verified in-country Vietnamese prices. They submitted that recognition of Vietnam as a market economy and the existence of private transactions required the Authority to use domestic prices unless material distortion was established through positive evidence.
- xxiii. With respect to Program 12, the respondents supported the Authority's proposal not to countervail electricity, natural gas or coal. It was submitted that the participating producers did not use natural gas or coal and purchased electricity under ordinary commercial arrangements at published tariff rates applicable to broad categories of consumers.
- xxiv. The respondents submitted that differences in electricity tariffs based on voltage, time of use or consumer category are normal utility-pricing features and do not establish specificity or a preferential benefit to producers of the subject goods.
- xxv. With respect to Program 13, the exporters submitted that they acquired or sub-leased land-use rights from industrial park developers on commercial terms and, in some cases, paid amounts above provincial base rates. It was argued that a sub-lease from a private entity does not constitute government provision of land.
- xxvi. The respondents disputed the specificity of land incentives, submitting that exemptions and reductions are based on objective regional-development criteria and are available to all eligible enterprises located in designated areas. ADC Plastic further claimed that its land price was approximately 45% above the relevant benchmark and that no land or water-rent concession was received.
- xxvii. The use of Thailand Board of Investment data or built-factory/warehouse rental rates was opposed as non-comparable. One respondent submitted, without prejudice, that if a Thailand benchmark were used, an industrial-estate land rate rather than a factory-rental rate should be adopted.
- xxviii. With respect to Program 3, the respondents submitted that corporate income tax incentives form part of a general fiscal regime based on objective statutory criteria. It was argued that the incentives are neither export-contingent nor limited to the plastics industry and are therefore not specific.

- xxix. ADC Plastic acknowledged a limited tax exemption during part of the POI but argued that any benefit was minimal and de minimis. The respondents also requested that the benefit be confined to the actual period of exemption and calculated against the company-specific taxable income and normal statutory liability.
- xxx. With respect to Program 4 and Programs 2 and 6, the participating exporters stated that they had not availed any import-duty exemption, Master Plan assistance or export-promotion benefit. They submitted that the legal existence or potential availability of a programme cannot support a margin in the absence of verified receipt of a benefit.
- xxxii. With respect to Programs 5, 7, 8, 9, 10 and 11, the respondents submitted that their loans were obtained from private commercial banks or on market terms. They disputed treating every state-owned bank as a public body and requested that any benefit be tested against comparable loans in the same currency, with due regard to maturity, security, creditworthiness and borrower-specific conditions.
- xxxiii. An Tien and other parties submitted that actual rates charged by private foreign banks in Vietnam should be preferred over the indicative rates of Bank of India, Vietnam Branch. They further submitted that foreign-currency loans linked to international benchmarks require separate treatment.
- xxxiiii. US Masterbatch Joint Stock Company and its Hung Yen Branch submitted that they had filed the relevant programme information in their original responses and were correctly granted an individual margin in the revised disclosure. Other parties sought company-specific treatment based on the degree of cooperation and verified data.
- xxxv. VMI contended that its injury margin range was materially higher than those of other participating exporters despite a similar subsidy-margin range. It requested re-examination of the PCN-wise landed value, NIP comparison and weighted-average methodology.
- xxxvi. The respondents disputed the findings on material injury, threat and causal link. They relied on demand growth, capacity additions, internal competition, raw-material costs, product mix, fragmented industry structure and other factors as possible causes of the domestic industry's performance.
- xxxvii. The interested parties submitted that any countervailing duty must be limited to the lesser of the subsidy margin and injury margin. In view of the existing anti-dumping duty on the same product from Vietnam, they requested protection against double remedies and, in some submissions, contended that the combined incidence of anti-dumping and countervailing duties should not exceed the injury margin.
- xxxviii. The users and exporters submitted that the subject goods are an important input for plastic products and that additional duty would increase downstream costs. They requested termination of the investigation or, alternatively, a narrowly calibrated duty that would not disrupt supplies or downstream competitiveness.

## **K.2 Submissions by the Domestic Industry**

234. The domestic industry has, inter alia, made the following post-disclosure submissions:

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- i. The revised Disclosure Statement was stated to be procedurally unwarranted insofar as it materially reduced the subsidy margins disclosed earlier. The domestic industry requested restoration of the earlier margins or complete disclosure of the revised benchmark values, adjustments, calculations and reasons for the change.
- ii. The domestic industry submitted that it was effectively allowed only three working days to respond and that requests for disclosure of the revised calculation sheets and benchmark adjustments were not fully accepted. It nevertheless placed additional supporting material on record within the permitted time.
- iii. The domestic industry supported the product scope and PCN methodology adopted by the Authority, which are identical to those finalised in the related anti-dumping investigation concerning the same product from Vietnam.
- iv. The application and standing were stated to satisfy the CVD Rules and Trade Notice No. 09/2021. Twelve applicant producers furnished the prescribed information and twenty-one additional producers expressly supported the application.
- v. Sampling of four domestic producers was defended as valid and representative of a fragmented, predominantly MSME industry. The sampled producers were stated to be among the larger producers and to reflect geographical and operational diversity.
- vi. The fifteen-month POI was defended as legally permissible and appropriate in the circumstances of a fragmented industry. The domestic industry also submitted that all injury and cost data relied upon by the Authority are specific to the product under consideration.
- vii. The confidentiality claims were stated to be justified because disclosure of producer-wise sales value, profitability, cost, finance cost, depreciation, plant data, capacity utilisation and consumption norms would cause commercial harm. Indexed and consolidated trends were said to provide a reasonable understanding.
- viii. The domestic industry supported the finding that the Vietnamese producers/exporters received countervailable subsidies above de minimis levels, but strongly objected to the substantial reduction in the margins of almost all participating producers and the residual category.
- ix. With respect to Program 1, the domestic industry supported the finding of countervailability. It submitted that limestone is the principal upstream raw material for ground calcium carbonate and that calcium carbonate is the major input for the subject goods; the effect of measures retaining and depressing the price of limestone is therefore transmitted to limestone-derived calcium carbonate.
- x. The domestic industry submitted that the programme is not confined to producers directly purchasing limestone lumps. Where a producer purchases calcium carbonate powder, the relevant comparison is with a comparable calcium-carbonate benchmark; where it consumes limestone lumps, the benchmark must correspond to limestone. The form of the immediate purchase does not sever the identified mineral value chain.
- xi. The UAE limestone benchmark was stated to be unsuitable because the underlying transactions predominantly concerned steel, cement and

- metallurgical-flux applications, including flux-grade material, and were not comparable with the input used in filler masterbatch.
- xii. Malaysia was stated to be the appropriate external source because the calcium carbonate exported from Malaysia to India was commercially comparable in particle size, purity, whiteness and industrial characteristics and because a consistent POI price series was available at the product-specific tariff level.
- xiii. The domestic industry clarified that its benchmark evidence was not confined to a four-digit heterogeneous basket. It relied on HS 283650 data, corresponding Indian tariff item 28365000 data, Trade Map information, TradeStat data, purchase records and material from the connected anti-dumping investigation.
- xiv. The domestic industry accepted conversion of Malaysian CIF import data to FOB only if freight and insurance are removed on the basis of actual calcium-carbonate freight. It filed POI invoices, bills of entry, purchase registers, accounting extracts and third-party supplier freight evidence and submitted that these corroborated the FOB series earlier placed on record. The domestic industry vide its mail dated 23.06.2026 has provided the documentary evidence pertaining to the ocean freight charges from Malaysia to India of the subject goods.
- xv. The domestic industry further submitted that freight data for a dissimilar product or period could not override contemporaneous calcium-carbonate freight evidence. It requested disclosure of the CIF base price and adjustments and restoration of the Program 1 margin after using verified, product-specific freight and insurance.
- xvi. The domestic industry requested countervailing of Program 12. It submitted that electricity prices in Vietnam are centrally regulated through the Ministry of Industry and Trade and EVN, that tariff differentiation favours manufacturing users, and that the benefit is sector-specific.
- xvii. With respect to Program 13, the domestic industry supported the findings on financial contribution and specificity but requested use of an external market benchmark, including comparable Thailand industrial land data, rather than Vietnamese rates stated to be distorted by the government-administered land regime.
- xviii. The domestic industry supported countervailing Program 3. It submitted that the normal statutory CIT rate of 20% is the appropriate benchmark and that the benefit is the difference between the verified normal tax liability and the tax actually paid during the POI.
- xix. The domestic industry requested countervailing of import-duty exemptions wherever a participating exporter received a specific exemption or excess remission. It accepted that quantification must be based on the verified amount of revenue foregone during the POI.
- xx. The domestic industry supported countervailing preferential lending by VDB and state-owned or government-directed banks. It submitted that the benefit should be measured against comparable private commercial lending rates in Vietnam.
- xxi. Programs 2 and 6 were stated to be sector-specific or export-contingent by design. The domestic industry submitted that claims of non-availment must be tested against verified records and government disbursement information.

- xxii. The domestic industry objected to grant of an individual margin to US Masterbatch Joint Stock Company and its Hung Yen Branch and requested application of the non-cooperative residual rate, alleging material deficiencies in the responses and absence of complete programme information.
- xxiii. The domestic industry supported the Authority's injury findings. It submitted that subsidised imports increased significantly, captured market share, undercut and suppressed domestic prices and caused deterioration in profits, cash flow and return on capital employed.
- xxiv. The domestic industry submitted that the injury analysis is based on verified PUC-specific records of the sampled producers and that no substantiated alternative cause severed the causal link between subsidised imports and injury.
- xxv. The domestic industry supported application of the lesser-duty rule and submitted that the duty should be the lower of the subsidy margin and the injury margin for each producer/exporter. It also requested appropriate treatment of overlap with the anti-dumping measure in accordance with the Act and the Rules.
- xxvi. The domestic industry submitted that countervailing duty would restore fair competition rather than restrict imports. The impact on downstream products was stated to be limited, while non-imposition would perpetuate injury to a large fragmented domestic industry.

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

#### **I. Procedural and Preliminary Issues**

- 235. The Authority examined the post-disclosure submissions of the Government of Vietnam, participating producers/exporters, the domestic industry and other interested parties. Repetitive submissions which have already been dealt with in the revised Disclosure Statement were not reproduced; only new issues, alleged computational errors and matters requiring clarification were examined.
- 236. Rule 18 of the CVD Rules requires disclosure of the essential facts under consideration before final findings and a meaningful opportunity to defend interests. A disclosure statement is not a final determination and does not create a vested right in a provisional benchmark, calculation or margin. The Authority may reconsider comments, correct errors and refine the methodology to be used in working of the relevant calculations.
- 237. The revised Disclosure Statement dated 16 June 2026 superseded the earlier disclosure dated 20 March 2026 after reconsideration of countervailability, benchmark selection, specificity, company-specific benefit and cooperation. Comments filed within time were considered on merits, while fresh information was used only where it was capable of verification.
- 238. The product scope and PCN methodology based on calcium-carbonate content was retained. The standing of the domestic industry was also confirmed: the application was filed by two associations on behalf of twelve producers and was supported by twenty-one additional producers. Sampling of four representative producers was considered justified in view of the fragmented structure of the industry. The Authority relied on verified PUC-specific cost, production, sales and profitability data.

239. The fifteen-month POI was found consistent with the Rules and suitable for representative analysis. Confidentiality claims were examined under Rule 8. Commercially sensitive data such as raw-material purchase prices, tax records, loan terms, land agreements, production costs and producer-wise profitability were protected, while non-confidential summaries, indexed trends and ranges were disclosed wherever practicable.

## **II. Subsidy Methodology**

240. The change in subsidy margins between the earlier and revised disclosures arose from programme-wise re-examination, use of more product-specific benchmarks, correction of certain programme treatments and examination of company-specific information. A changed margin is not evidence of arbitrariness; it reflects the working of the disclosure process.

241. Under Rule 12, the countervailable amount is the benefit conferred on the recipient during the POI. Accordingly, only verified recipient-specific benefits were quantified. Benefits were allocated to the subject goods using appropriate verified turnover or sales denominators. No benefit was attributed merely because a programme existed in law.

## **III. Program 1 - Supply of Limestone/Calcium Carbonate at Less Than Adequate Remuneration**

242. The Authority re-examined Program 1 with reference to the distinct requirements of financial contribution, benefit, specificity and countervailability. The determination is not based merely on Vietnam's export tax on limestone or on a difference between domestic and external prices. It is based on the cumulative design and operation of Vietnam's mineral-policy framework governing extraction, export retention and domestic availability of limestone and limestone-derived calcium carbonate.

243. Under Article 1.1(a)(1)(iv) of the SCM Agreement, a financial contribution may arise where the government entrusts or directs private bodies to provide goods. Such entrustment or direction cannot be inferred from price effects alone. In the present case, the Authority considered the legal framework, export-tax treatment, policy objective of retaining minerals for domestic downstream use and the conduct of suppliers, and found that these factors, taken together, went beyond an incidental market response.

244. Verified purchases / consumption of limestone / calcium carbonate powder were compared with a calcium-carbonate benchmark. Since the investigated producers were the direct purchasers or consumers of the input, no separate pass-through test was required. The benefit was determined by comparing the price actually paid with an appropriate benchmark reflecting prevailing market conditions, including quality, availability, transportation and other conditions of purchase or sale.

245. The import data pertaining to imports of Calcium Carbonate into India was extracted from website of Ministry of Commerce & Industry, and it was noted that the imports of Calcium Carbonate into India were highest from Vietnam (44%), followed by Egypt (37%) and Malaysia (12%) during the period of investigation. Since, this investigation is being undertaken against the alleged subsidy programmes of Vietnam and the related issues of alleged price distortion therein, therefore, the import prices from Vietnam to India cannot be adopted as an appropriate benchmark. Further, it was noted that the

import prices of next largest exporters of Calcium Carbonate to India, that is, Egypt and Malaysia when combined together accounted for 49% of total imports into India and was found to be considered as a representative sample for adopting the same as a benchmark for this programme. Therefore, the possibility of considering the import prices of both Egypt and Malaysia into India together in the form of weighted average, has been examined and was found to be suitable for considering it as an appropriate benchmark for this subsidy programme.

246. The Authority specifically examined competing claims regarding consideration of Egypt and Malaysia for benchmark. The participating producers / exporters relied on Egypt's substantial production and exports, its significant share in Indian imports, the domestic industry's own procurement from Egypt and the commercial relevance of Egyptian prices. The domestic industry relied on the product-specific and reconcilable Malaysian data under tariff item 28365000. Upon reconsideration, the Authority found that both countries supplied relevant calcium carbonate to India during the POI and that neither source should be discarded merely because the other had a larger volume or more detailed transaction data.
247. The Authority has re-examined the benchmark for calcium carbonate strictly in accordance with Rule 12(2)(d), Annexure IV and Article 14(d) of the SCM Agreement, which require adequacy of remuneration to be assessed against prevailing market conditions, including price, quality, availability, marketability, transportation and other conditions of sale. Benchmark selection is therefore not governed by the lowest price, the nearest source, the largest supplier or the outcome most favourable to either side. The controlling test is whether the benchmark is reliable, representative, comparable and capable of measuring the benefit on a like-for-like basis
248. Egypt represented the materially larger import volume into India of CaCO<sub>3</sub> and its use by the domestic industry confirmed commercial availability for industrial use. Malaysia, however, offered a more detailed product-specific transaction data and useful evidence on descriptions, price dispersion and shipment conditions. The Authority has, therefore, considered the weighted average CIF prices of both the sources duly adjusted to FOB level, that is, import prices of Egypt as well as Malaysia to India as extracted from website of Ministry of Commerce & Industry, as an appropriate external benchmark, for the purpose of programme no. 1. The Authority has relied on actual 8 digit level HSN code imports into India from Egypt and Malaysia in POI at CIF level, as extracted from website of Ministry of Commerce & Industry, which has been duly adjusted to FOB level.
249. The benchmark shall be calculated by weighting each country's adjusted price by its corresponding eligible import quantity. This methodology is not an equitable compromise between competing claims; it is the most representative and legally defensible measure of prevailing market remuneration available on the record. It recognises Egypt's greater commercial presence, preserves the reliability of the Malaysian product-specific data, minimises source-specific distortion and provides a balanced, objective and robust basis for the final recipient-specific benefit and subsidy margin calculations. Objections concerning grade, particle size, purity, coating, whiteness, processing route, end use and tariff classification were duly examined for both countries.
250. It is noted that Malaysian CIF prices have been converted to a FOB-equivalent basis by

deducting the verified freight and insurance prices as provided by the domestic industry, whereas the Egyptian CIF prices have been converted to a FOB-equivalent basis by deducting the verified freight and insurance prices provided by the respondents or producer-exporters. This ensures that the benchmark reflects the value of the input itself and is not distorted by differences in product characteristics, shipment terms or level of trade.

251. The composite benchmark is considered more objective and representative than exclusive use of either country. Exclusive reliance on Egypt would disregard the detailed Malaysian transaction evidence, while exclusive reliance on Malaysia would understate the significance of the larger volume of comparable imports from Egypt. The combined series, after harmonisation of product scope and commercial terms, better reflects prevailing market conditions.
252. The legal basis of this methodology is representativeness, comparability and prevailing market conditions under Rule 12 and Article 14(d). Although it incidentally balances the competing concerns of exporters and the domestic industry, it is adopted because it provides a broader and more reliable external market reference based benchmark.
253. The weighted benchmark is applied only to producers that purchased or consumed calcium carbonate during the POI. It is compared with each cooperating producer's verified purchase price on a like-for-like basis, with adjustments for freight, insurance, port handling, trading level and other conditions of purchase. The company-specific benefit calculations are contained in the confidential calculation sheets.
254. Specificity was confirmed because the identified mineral-input framework benefits a limited group of downstream enterprises dependent on the affected limestone and limestone-derived input. The fact that these minerals may have other uses does not negate specificity where the design and operation of the programme and the benefit to investigated producers are established.
255. Accordingly, Program 1 remains countervailable. For calcium-carbonate purchases, the final producer-specific subsidy calculations shall use the quantity-weighted average of adjusted comparable POI import prices from Egypt and Malaysia. Consequential revisions shall be made to the subsidy margins.

#### **IV. Other Subsidy Programmes**

256. The Authority examined Program 12 concerning the alleged provision of natural gas, electricity and coal at less than adequate remuneration. The participating producers did not establish use of natural gas or coal in the production of the subject goods during the POI. As regards electricity, the tariff differences were found to arise from ordinary commercial factors such as voltage level, consumption category, time of use and supply conditions. No evidence showed that producers of the subject goods received electricity on preferential terms compared with similarly situated industrial consumers. Accordingly, no countervailable benefit was determined under this programme.
257. Under Program 13, the Authority examined land-use rights, lease and sub-lease agreements, payment records, investment certificates and relevant provincial instruments. A benefit was not presumed merely because a producer was located in an

industrial park or investment zone. It was quantified only where verified records established that the producer received land-use rights, or an exemption or reduction in land or water rent, on terms more favourable than those normally applicable in Vietnam.

258. For determining the benefit under Program 13, the Authority compared the rent actually paid by the producer with the normal rate applicable in Vietnam in the absence of the concession. The proposed use of rental prices of factories or industrial properties in Thailand was rejected because such prices were not sufficiently comparable in terms of location, tenure, legal framework and nature of the property. A countervailable benefit was therefore determined only for producers that received a verified land-related concession during the POI.
259. Under Program 3, exemptions or reductions in corporate income tax were treated as government revenue foregone. The normal statutory corporate income-tax rate of 20% was used as the benchmark. The benefit was determined as the difference between the tax that would ordinarily have been payable and the tax actually payable after availing the concession. The calculation was confined to the verified period and amount of tax relief.
260. The corporate income-tax programme was considered specific where eligibility was restricted to enterprises located in specified regions or industrial zones, or to enterprises undertaking identified categories of investment. Accordingly, a countervailable benefit was determined only to the extent of the verified tax relief received by the concerned producer during the POI.
261. Under Program 4, the Authority examined whether the participating producers had actually availed exemptions from customs duty on imports of raw materials, machinery or equipment. The mere existence of such an exemption under Vietnamese law was not considered sufficient. In the absence of verified company-specific availment and a corresponding amount of duty foregone during the POI, no separate subsidy margin was assigned under this programme.
262. With respect to preferential lending, export credit and loan guarantees under Programs 5, 7, 8, 9, 10 and 11, the Authority did not presume that every loan granted by a state-owned bank constituted a subsidy. Each loan was examined with reference to the lender, currency, tenure, security, interest rate and other borrowing terms. A benefit was determined only where the verified terms were more favourable than those available under a comparable commercial loan. Where a participating producer had obtained a comparable arm's-length loan from a private commercial bank in the same currency and on similar terms, that loan has been used as the benchmark.
263. Under Programs 2 and 6, relating to the Master Plan for Development of the Plastics Industry and the Export Promotion Program, no verified financial contribution or benefit was found to have been received by the participating producers during the POI. The existence of a government policy or programme was not considered sufficient in the absence of actual receipt of a measurable benefit. Accordingly, no subsidy margin was assigned under these programmes.

## **V. Cooperation, Injury, Lesser-Duty Rule and Conclusion**

264. US Masterbatch and its Hung Yen branch were granted individual treatment because

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their responses contained the material information required for the programmes ultimately countervailed and were capable of verification. Entities that failed to furnish complete POI information remained subject to the residual or facts-available approach.

265. The Authority reaffirmed material injury and causal link after examining import volumes, market share, PCN-wise price undercutting, suppression and depression, and the domestic industry's production, sales, profitability, cash flow and return on capital employed. Other factors such as demand movement, capacity additions, raw-material prices, product mix and competition among domestic producers were examined and were not found to sever the causal link.
266. The NIP was determined from verified costs of sampled domestic producers after prescribed adjustments and a reasonable return. Exporter-specific injury margins were based on PCN-wise comparison of NIP with landed value and could differ because of product mix, transaction prices, freight and export quantities.
267. The lesser-duty rule was applied. The recommended countervailing duty for each producer/exporter cannot exceed the lower of the positive subsidy margin and injury margin. The existence of an anti-dumping duty does not bar a countervailing measure, but the recommendation must avoid double counteraction of the same export-subsidy benefit.
268. The Authority concluded that the interests of users and importers were adequately considered. A calibrated duty is intended to neutralise injurious subsidisation, not to restrict fair imports. The final recommendation therefore confirms the essential approach of the revised Disclosure Statement, with the principal modification that the calcium-carbonate benchmark under Program 1 shall be the quantity-weighted average of the adjusted, comparable POI import prices from Egypt and Malaysia into India. The post-disclosure comments do not justify termination of the investigation.

## **L. CONCLUSIONS**

269. After examining the submissions made by all interested parties and issues raised therein and the facts available on record, the Authority comes to the following conclusions:
- a) The product under consideration in the present investigation is Calcium Carbonate Filler Masterbatch having CaCO<sub>3</sub> as major constituent i.e., more than 50% in content.
  - b) The subject goods exported from the subject country and the article manufactured by the domestic industry are 'like article' to each other in terms of CVD Rules, 1995.
  - c) The applicant domestic producers constitute domestic industry within the CVD Rules, 1995.
  - d) The domestic industry has suffered material injury as a result of the subsidized imports. The injury margin is significant.
  - e) Governments of Vietnam is providing subsidies to the producers of the PUC in the form of tax benefits, interest concessions, land rebates and provisions of goods and services at less than adequate remuneration.
270. The imposition of countervailing duty is in public interest. This is evident from the

following:

- i. The impact of duties on the cost of the user industry is not expected to be significant.
- ii. The trade remedial measures do not prohibit imports into the country, but ensures a level playing field between imports and domestic manufacturing. A viable domestic industry ensures that the user industry is not fully dependent on the imports.
- iii. The imposition of countervailing duty would only be to the extent of the injury caused to the domestic industry. Therefore, the imposition of duties does not provide any extra protection but only offsets the injury caused by unfair trade practices.

### **M. RECOMMENDATIONS**

271. The Authority notes that the investigation was initiated and notified to all the interested parties and adequate opportunity was given to the domestic industry, the governments of the exporting country, exporters, the importers, the users and the other interested parties to provide information on the aspects of subsidization, injury and causal link.
272. Having concluded that there is positive evidence of subsidization, injury and causal link between them, the Authority is of the view that a countervailing duty is required to be imposed on the PUC from the subject country. Therefore, the Authority considers it necessary to recommend imposition of definitive countervailing duty on the imports of the subject goods from the subject country in the form and manner described hereunder. The Authority has recommended imposition of the anti-dumping duties in the investigation concerning the subject goods *vide* its Final Findings F. No. 6/38/2024-DGTR dated 27.09.2025.
273. Having regard to the lesser duty rule, the Authority recommends imposition of definitive countervailing duty less than or equal to the lesser of margin of subsidy and margin of injury to remove the injury to the domestic industry. The Authority has noted the fact that the PUC is already attracting anti-dumping duty.
274. Accordingly, definitive countervailing duty as mentioned in Col No. 7 of the duty table is recommended to be imposed for five (5) years from the date of notification to be issued in this regard by the Central Government on all imports of the subject goods from the subject country.

#### **DUTY TABLE**

S. No	Heading/Sub heading/Tariff item	Description of Goods	Country of Origin	Country of Export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	3824 99 00	Calcium carbonate filler masterbatch	Vietnam	Any country including Vietnam	European Plastic Joint Stock	15.16	MT	USD

					Company ("EuroPlast")			
2	-do-	-do-	Vietnam	Any country including Vietnam	Yen Bai European Plastic Joint Stock Company ("Yenbai")	15.16	MT	USD
3	-do-	-do-	Vietnam	Any country including Vietnam	Nghe An European Plastic One Member Limited Liability Company ("Nghe")	15.16	MT	USD
4	-do-	-do-	Vietnam	Any country including Vietnam	Polyfill joint stock company ("Polyfill")(collectively referred to as "Europlast Group")	15.16	MT	USD
5	-do-	-do-	Vietnam	Any country including Vietnam	ADC Plastic., JSC	14.20	MT	USD
6	-do-	-do-	Vietnam	Any country including Vietnam	An Tien Industries Joint Stock Company	13.42	MT	USD
7	-do-	-do-	Vietnam	Any country including Vietnam	Vitaplas Joint Stock Company	9.11	MT	USD

					(Vitaplas)			
8	-do-	-do-	Vietnam	Any country including Vietnam	Vietnam Industrial Minerals International Joint Stock Company	16.03	MT	USD
9	-do-	-do-	Vietnam	Any country including Vietnam	US Masterbatch Joint Stock Company	22.52	MT	USD
10	-do-	-do-	Vietnam	Any country including Vietnam	US Masterbatch Joint Stock Company – Hung Yen Branch	22.52	MT	USD
11	-do-	-do-	Vietnam	Any country including Vietnam	Any Producer	69.19	MT	USD
12	-do-	-do-	Any country other than Vietnam	Vietnam	Any Producer	69.19	MT	USD

(a) For serial no. 1 to 8, and 11, 12, since the sum of countervailing duty mentioned above and the anti-dumping duty imposed vide Customs notification no. 37/2025-Customs (ADD) dated 24th December, 2025 for the subject goods, does not exceed the respective injury margin of the producers, therefore, the countervailing duty mentioned in Column no. 7 of the above duty table shall be collected.

(b) For serial no. 9 and 10, since the sum of countervailing duty mentioned above and the anti-dumping duty imposed ‘under residual category’ vide Customs notification no. 37/2025-Customs (ADD) dated 24th December, 2025 for the subject goods, exceeds the respective injury margin of the producers, therefore, the countervailing duty mentioned in Column no. 7 of the above duty table shall not be collected.

Note - The application of the individual duty rates specified for the companies mentioned in the above shall be conditional upon presentation to 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 (product concerned) sold for export to India covered by this invoice was manufactured by (producer name and address) in the (name of country). 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.”

**N. Further procedure**

275. An appeal against the determination/review of the Designated Authority in this final finding shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act.

**Amitabh Kumar**  
**Designated Authority**