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**F. No. 6/23/2024 - DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building,
5 Parliament Street, New Delhi – 110001**

Dated: 23/09/2025

**NOTIFICATION
FINAL FINDINGS
(CASE NO. AD(OI)-21/2024)**

Subject: Anti-dumping investigation concerning imports of "certain antioxidants " originating in or exported from China PR and Singapore.

A. BACKGROUND OF THE CASE

1. M/s Vinati Organics Ltd., (hereinafter referred to as the "applicant" or the "petitioner" or "VOL") filed an application, in the form and manner prescribed before the Designated Authority (hereinafter also referred to as the "Authority") in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred as the "Act") and the Customs Tariff (Identification Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred as the "Rules"), for initiation of an anti-dumping investigation and imposition of anti-dumping duty on imports of "**certain antioxidants**" (hereinafter also referred to as "AO" or "subject goods" or the "product under consideration") originating in or exported from China PR and Singapore (hereinafter also referred to as the "subject countries").

B. PROCEDURE

2. The procedure described below has been followed with regards to the investigation:
 - a. The Authority notified the embassy of the subject countries/territory in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Rule 5(5) of the Rules.
 - b. The Authority *vide* notification no.6/23/2024-DGTR dated 26th September 2024 published a public notice in the Gazette of India, Extraordinary, initiating an anti-dumping investigation concerning imports of the subject goods from the subject countries.
 - c. The Authority forwarded a copy of the public notice along with the questionnaires to the embassy of the subject counties in India, all known exporters, importers and users (whose details were made available by the applicant) and gave them opportunity to make their

views known in writing in accordance with Rule 6(2) of the anti-dumping rules. They were advised to reply within thirty days from the date of receipt of notice.

- d. The Authority provided a copy of the non-confidential version of the application to the known exporters and the embassy of the subject countries in accordance with Rule 6(3) of the anti-dumping Rules. A copy of the application was also provided to the other interested parties, as requested.
- e. The Authority sent questionnaire to elicit relevant information to the following known producers/exporters in the subject countries in accordance with Rule 6(4) of the AD rules:

SN	Producer/ Exporter
i.	Guangzhou Flying Dragon
ii.	BASF Southeast Asia Pte Ltd
iii.	Jiyichem
iv.	Nanjing Lanya Chemical Co., Ltd.
v.	Onelead Innovation Co. Ltd
vi.	Polygel Global Pte. Ltd.
vii.	Qingdao Richkem Co. Ltd
viii.	Rianlon Technology Company Ltd
ix.	Shandong Linyi Sunny Wealth Chemicals Co., Ltd.
x.	SI Group
xi.	Songwon
xii.	Suqian Unitechem
xiii.	Unitechem

- f. Following producers/exporters from the subject countries have filed the exporter's questionnaire response or made submissions:

SN	Responding Producer/ Exporter
i.	BASF South East Asia Pacific Pte. Ltd. (BSEA)
ii.	BASF (China) Co. Ltd. (BCH)
iii.	BASF Chemicals Company Ltd. (BACH)
iv.	BASF Hong Kong Ltd. (BHKL)
v.	Rianlon Technology Co Ltd.
vi.	Rianlon (ZhongWei) New Material Co. Ltd.
vii.	Rianlon (ZhuHai) New Materials Co. Ltd.
viii.	Rianlon Corporation

- g. Arrowchem Pte. Ltd., a stockist and trader of chemicals, initially registered as an interested party in the subject investigation. The company later submitted that it did not export any antioxidants to India during the POI and requested withdrawal from the interested party list.
- h. Questionnaires were also sent to the following known importers/users of the subject goods in India seeking necessary information in accordance with Rule 6(4) of the AD Rules:

SN	Importer/ User
i.	BASF India Ltd. (BIL)
ii.	GAIL (India) Ltd.
iii.	Haldia Petrochemicals Ltd.
iv.	High Grade Industries (India) Pvt Ltd.
v.	HPCL Mittal Energy Ltd.
vi.	Indian Oil Corporation Ltd.
vii.	Machino Polymers Ltd.
viii.	Mangalore Refinery & Petrochemicals Ltd.
ix.	Mittal Enterprises
x.	Prakash Chemicals Pvt Ltd.
xi.	Reliance Industries Ltd.
xii.	Solaris Chemical Corporation (Unit of Solaris Spec)
xiii.	ONGC Petro Additions Ltd
xiv.	BCPL
xv.	Nayara Energy Ltd.

- i. Following importers of the subject goods registered themselves as the interested parties in the investigation.

SN	Responding Importer
i.	BASF India Ltd. (BIL)
ii.	Ambitious Polytech
iii.	Amcom Polysol Pvt Ltd.
iv.	Chakravarthy Plastic Industries
v.	Coraplast Industries
vi.	Reliance Silbur Elastomers Pvt Ltd.
vii.	Sidma Polymers Pvt Ltd.

- j. Out of the above, a response to the importer's questionnaire was received only from BASF India Ltd. (BIL).
- k. In addition to the above, 2 associations viz., Chemicals and Petrochemicals Manufacturers Association (CPMA) and Compound and Masterbatch Manufacturer Association of India also registered themselves as interested parties in the present investigation. The contentions of the associations have been addressed appropriately wherever possible. However, out of the two associations, a response to the economic interest questionnaire was received only from Chemicals and Petrochemicals Manufacturers Association (CPMA).
- l. The Authority issued an economic interest questionnaire (EIQ) to all interested parties and the concerned ministry. Response to EIQ has been submitted by the domestic industry, BASF Group and one importer association, i.e., CPMA.

- m. The information provided by the interested parties on a confidential basis was examined with regard to the sufficiency of such claims. 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 sufficient non-confidential version of the information filed on a confidential basis.
- n. The Authority *vide* para 9 of the initiation notification dated 26th September 2024 invited comments on the scope of the product under consideration and product control number (PCN) from the stakeholders within 30 days of initiation which ended on 26th October 2024. However, a further extension of time was granted by the Authority i.e., till 4th November 2024, to file comments on the scope of PUC/ PCN.
- o. Subsequent to receipt of comments on the scope of PUC/ PCN, the Authority held a meeting for deciding the scope of the PUC and the PCN methodology on 22nd November 2024. The Authority received and considered the comments with regards to the PUC and the PCN methodology. The scope of the PUC and the PCN methodology were redefined *vide* notification dated 11th December 2024. The interested parties were directed to file the questionnaire response within 30 days of issuance of the notice i.e., by 10th January 2024.
- p. A request was made to DG Systems to provide transaction-wise details of the imports of the subject goods for the injury investigation period and the period of investigation. The same has been received by the Authority and has been considered in this final finding.
- q. Verification of the domestic industry was conducted to the extent considered necessary for the purpose of the present investigation.
- r. The non-injurious price (hereinafter referred to as ‘NIP’) has been determined based on the cost of production and the cost to make and sell the subject goods in India based on the information furnished by the domestic industry, maintained as per Generally Accepted Accounting Principles (GAAP) and Annexure III to the AD Rules, 1995, has been worked out so as to ascertain whether the present anti-dumping duty is sufficient to remove injury to the domestic industry.
- s. The applicant had proposed July 2023 – March 2024 as the period of investigation at the time of filing of the application. However, the Authority considered the period of investigation (POI) as 1st July 2023 to 30th June 2024 (a period of 12 months). The injury investigation period covers the periods 2020 – 2021, 2021 – 2022, April 2022 – June 2023 and the period of investigation.
- t. In accordance with Rule 6(6) of the AD Rules, the Authority provided an opportunity to the interested parties to present their views during the oral hearing held on 21st April 2025. The interested parties were requested to submit their written submissions by 28th April 2025 and rejoinder submissions by 5th May 2025.
- u. Due to the change of the Designated Authority, a fresh oral hearing was held on 26th May 2025 wherein all interested parties were provided the opportunity to present their views. The interested parties were requested to submit their written submissions by 28th May 2025 and rejoinder submissions by 30th May 2025.
- v. The Authority circulated the disclosure statement containing all essential facts under consideration for making the final recommendations to the Central Government to all interested parties on 19th August 2025. The Authority has examined all the post-disclosure

comments made by the interested parties in these final findings to the extent deemed relevant. Any submission which was merely a reproduction of the previous submission and which had been adequately examined by the Authority has not been repeated for the sake of brevity.

- w. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has recorded its observations on the basis of the facts available.
- x. “***” in this final finding represents information furnished by an interested party on a confidential basis and so considered by the Authority under the Rules.
- y. Exchange rate considered for the POI for conversion of USD to Indian Rupees is 1 USD = **Rs. 83.99**.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Views of the other interested parties

3. The following submissions have been made by the other interested parties with regard to the scope of the product under consideration and like article:
 - i) AO 168 should be excluded from the scope of the PUC as it doesn't use Metilox as base material. Reference is made to *Exotic Décor Pvt. Ltd. v. DA* case, where CESTAT ruled that wooden flooring with a plywood bottom layer could not be included in the investigation, as the notification specified the use of “real wood” as the bottom layer. Further, it is also not technically or commercially substitutable to other antioxidants.
 - ii) Antioxidants not produced and sold in commercial quantities by the applicant should be excluded from the scope of the product under consideration.
 - iii) The applicant's products face quality issues and fail to pass lab tests. Hence, they were not approved by customers and licensors of technologies. Communications received from the users show that the applicant's product does not match specifications required by users. Due to substandard packaging, the applicant's product is prone to lump formation and is not suitable for use as it impacts flowability of the compounds.
 - iv) The pricing & cost of different forms of antioxidants i.e., powder and tablet, are different. An additional manufacturing process is involved to make tablets from powder. PCN methodology should additionally be prescribed based on the form of the antioxidant.
 - v) The applicant has produced and sold 2 blends viz., B215 and B225, which implies that it did not sell any other blends of the subject antioxidants. The product scope should be restricted to include only these two blends.
 - vi) Clause (g) of the PUC definition, which covers blends of subject antioxidants with any other product if the resultant blend has 50% or more of the subject antioxidant, must be deleted. The clause is very wide and has the potential to include even the blends antioxidant and products other than antioxidants for which no like product is offered by the applicant. Antioxidants are often consumed with other additives. Blending ingredients may contain additives other than antioxidants. If other additives besides antioxidants in the blend dominates the main function, the blend is not an antioxidant anymore.

- vii) If the PUC definition covers blends of the subject antioxidants with “any other product” it will not be consistent with the general practice and will make the dumping, injury and causation analysis inaccurate.
- viii) The criteria of 50% in clause (g) of the PUC definition is highly insufficient to ensure that the final blend is an antioxidant and is not backed with any scientific basis. If clause (g) is retained, the proportion of the subject antioxidant should be modified to at least 80% in terms of weight.
- ix) The term “equivalents” and “other products” make the PUC definition vague and do not lend any clarity. It is unclear how the Customs Authorities would, from the description, be able to identify “equivalents” or products with at least 50% of subject antioxidants.
- x) Apprehension of circumvention cannot be a basis for including blends within the scope of the investigation. The concept of circumvention would be applicable only where it can be demonstrated that the circumventing product can commercially and technically substitute the PUC or in situations where it can be established that the circumventing product can be used to produce the PUC by some kind of reverse engineering. The applicant claims that clause (g) needs to be included to prevent circumvention through minor composition changes without alteration in essential characteristics or end use. However, circumvention is not possible because end use differs.
- xi) AO B2777, a blend of AO168 and AO1790 in a 2:1 ratio, is exported by the Rianlon Group. Since the applicant does not manufacture AO1790, they are unable to produce B2777. However, this blend falls within the scope of the PUC. Therefore, the applicant should be required to disclose a product equivalent to B2777. In any case, blending is more than just mixing; and involves extensive research, stabilizing production, achieving the desired properties through titration experiments.
- xii) Rianlon disagrees with the Authority regarding there being lack of evidence that the applicant does not produce a like article. If the applicant is manufacturing B2777, the responsibility lies with them to provide proof. This obligation cannot be imposed on other interested parties.
- xiii) Rianlon also sells a proprietary blend, for the rubber market, comprising 60% subject AO and 40% of two other AOs not produced by the Applicant. Subject AO or its blends cannot meet the performance standards for rubber applications. The Applicant cannot replicate this blend, as they lack the composition details and do not produce other two components.
- xiv) Regarding the General Rules for Interpretation of the Customs Tariff cited by the applicant, product classification is only indicative. The mere fact that a product falls under a particular heading does not automatically make it a "like article." In several investigations, even when both PUC and NPUC were classified under the same heading, the Authority has excluded NPUC from the product scope.
- xv) The applicant stated that it analysed import data including HS codes not mentioned in Initiation Notice. Over broad classification of the PUC would include products not manufactured by applicant and lead to over protection.
- xvi) Where blends constitute merely 4% of total imports and 8% of the applicant’s own domestic sales i.e., a small fraction, there is no case of dumping.

- xvii) The applicant claims that excluding blends would undermine duties, as consumers can easily switch from neat AO to blends. However, blending is not a simple process. It requires research.
- xviii) The applicant has failed to substantiate that they produce a like product to B2777 and failed to substantiate the claim of interchangeability of its own product with the imported product. It has been admitted that applicant cannot produce this blend. B2777 therefore should be excluded from product scope.
- xix) Non-availability of CAS for a blend shows that blending is a unique process. An infinite composition of blends is possible which makes it impossible to have a unique CAS number.
- xx) Once a blend is made, it becomes a single functional product, that cannot revert to its individual antioxidant constituents. Therefore, the Applicant's claim, that exclusion of blends would lead to customers shifting from neat AOs to blends causing an estimated loss of 2400MT of AO168 sales to it, is incorrect.
- xxi) The proposal of imposing duty only to the extent of subject AO in a blend poses practical challenge for the Authority to identify the quantum of subject AO in each blend.
- xxii) As regards the investigations referred to i.e., 2,4-D and certain epoxy resins, these cases do not specifically mention that duties are levied solely on subject component within blends based on specified thresholds.
- xxiii) CPMA confirms that its members use only neat antioxidants, and blends are neither purchased nor commercially relevant in the domestic market. Inclusion of blends in produce scope, therefore, is unjustified since user submissions and applicant's own data reflect usage and preference for neat antioxidants.

C.2. Views of the domestic industry

- 4. The following submissions have been made by the domestic industry with regard to the scope of the product under consideration and like article:
 - i) The product under consideration is "Antioxidants" conforming to the following CAS nos., or their equivalent:
 - a) 6683-19-8 also known as Antioxidant 1010 and its equivalents. *The chemical name is Pentaerythritol tetrakis(3-(3,5-di-tert-butyl-4-hydroxyphenyl) propionate)*
 - b) 2082-79-3 also known as Antioxidant 1076 and its equivalents. *The chemical name is Octadecyl-3-(3,5-di-tert-butyl-4-hydroxyphenyl)-propionate*
 - c) 31570-04-4 also known as Antioxidant 168 and its equivalents. *The chemical name is Tris(2,4-di-tert butylphenyl) phosphite*
 - d) 23128-74-7 also known as Antioxidant 1098 and its equivalents. *The chemical name is N,N'-hexane-1,6-diylbis(3-(3,5-di-tert-butyl-4-hydroxyphenyl)propionamide)*
 - e) 125643-61-0 also known as Antioxidant L135 or 1135 its equivalents. *The chemical name is Benzenepropanoic acid, 3,5-bis (1,1-dimethylethyl)-4-hydroxy-, C7-9-branched alkyl esters*
 - f) Blends of antioxidants referred to in (a) to (e)
 - g) Antioxidants having any of the product at (a) to (e) as principal component/ part.

- ii) Antioxidants in polymers are essential to prevent oxidation i.e., a process where oxygen comes in contact with a certain material causes degradation. Plastic products are manufactured at high temperatures which compromises the raw polymers, as they are exposed to a process called thermal oxidation. For the polymer to remain stable, antioxidants are introduced during the manufacturing process.
- iii) The product under consideration is being imported under large number of HS codes, primarily under Chapter 29 and 38 of the Customs Tariff Act. Importers may also be importing under alternative HS codes, leading to possible underreporting of actual volumes. The Authority should include such other codes within the purview of investigation apart from the ones already considered.
- iv) The subject goods are transacted under several brand names and descriptions. There is no global well defined/codified name for the product. Some companies have their own brand names for the subject goods, and it may not be possible to identify all such names. The term “and its equivalents” has been used to denote the alternate names of the subject goods.
- v) The term “other products” in clause (g) of the PUC definition refers to functional additives, other than antioxidants in blends, which provide other functions in the end application from the feature of antioxidants.
- vi) CAS no. or chemical abstract services number, which is a unique numeric identifier designated to only one substance and is hence unique to each chemical has been relied upon to identify the PUC.
- vii) Only blends B215 and B225 are being sold in the domestic market by the applicant. However, there are other blends like B1171 and B912 that have been produced and supplied in the export market. The applicant has the capacity to produce blends. Blending is not a complicated or technical process. It simply requires physical mixing of the antioxidants. Once the combination/proportion in which individual products need to be mixed is known, which alone requires R&D, blending involves mere mixing of the product. The machines used for mixing are fungible i.e., they can be used to prepare all types of blends needing any antioxidants in any desired ratio.
- viii) As regards the argument that blending requires not just mixing but also stabilizing production and desired properties by titration experiments, the same is unfounded. Customers are aware of the blends and the ratio that is to be used. The blending procedure *per se* does not need R&D.
- ix) Blends form a small share of both imports and domestic sales. However, antioxidants are rarely used in neat form or individually. Industry practice is to blend them for downstream application; therefore, consumers typically purchase neat antioxidants but use them in combination. Since users eventually use a combination or blend of antioxidants, excluding blends from product scope would allow users to easily switch from importing neat antioxidants to blends.
- x) If an ADD applies only to neat AOs and blends are exempt, blends could be imported duty-free, despite being technically and commercially substitutable with the neat forms, thus bypassing duties on product types covered under clause (a) to (f).
- xi) The widespread ability to blend shows that blending involves a simple process of just mixing known proportions of antioxidants. Exclusion of blends would defeat the purpose of duties.

- xii) While developing a blend requires research but blending itself is a simple physical mixing. It does not involve a chemical process. There is no transformation of constituents, instead they still retain their original properties in the blend. In fact, a blend has no CAS number but is specified in terms of the CAS number of its constituent products.
- xiii) Although 95% of subject goods, either imported or domestically manufactured, are sold in their neat form but entirety of consumption is in blended forms. Consumers can either directly buy blends; buy neat products, blend them in the desired proportion and charge resultant blend; or simply buy and charge the neat products in desired proportions.
- xiv) If clause (g) is excluded, following imposition, importers may also start importing blends with 95% subject antioxidant and 5% other material to evade duties. While the functionally will remain the same, but if clause (g) is excluded, such product would be outside the duty scope.
- xv) Some customers buy subject AOs from the Applicant and non-subject AOs from other sources, blend them and consume. For instance, subject AO 168, is blended with non-subject AOs like AO 1330, AO 3114 and AO 1024 in a 1:2 ratio for use in the plastics industry. If clause (g) is excluded, these customers could shift to importing blends directly, leading to an estimated annual loss of 2,400 MT in AO 168 sales for the applicant. The applicant's product has been approved by consumers. Quality complaints are common in business, especially for a new industry. Complaints have decreased over time, and the applicant has addressed them, leading to repeat orders.
- xvi) Exclusion of AO 168 is unwarranted. All phenolic antioxidants use Metilox, made from 2,6 DTBP, as a raw material. AO168, a phosphite antioxidant, uses 2,4 DTBP. This difference does not classify them as distinct products. Antioxidants, regardless of composition, are primarily employed as additives in plastic formulations, serve a common purpose and are thus treated as a single product.
- xvii) The initiation notice serves as the basis for investigation and is not intended to be an exhaustive document. The Authority is fully empowered under the Rules to clarify the product scope in the course of the investigation based on stakeholder submissions. In the PUC notification, the Authority noted the arguments taken by all parties and still included AO 168 within PUC scope, giving it a separate PCN, indicating that metilox is not the sole criteria to treat it as one product.
- xviii) There is no legal requirement of (a) internal homogeneity within the product under consideration, (b) inter-se substitutability of various types of the product under consideration, (c) similarities in costs and prices of different types.
- xix) The statement where it has been stated that all antioxidants use metilox as the raw material may be changed to “while AO 1010, AO 1076, AO 1098 & L135 use 2,6 DTBP and AO168 uses 2,4 DTBP as raw material, the major differences lie in the additional raw materials specific to each antioxidant type and the distinct process conditions tailored for each antioxidant”.
- xx) Antioxidants alleged to not have been sold have in fact been produced and sold by the applicant in commercial quantities.
- xxi) 50% criterion in clause (g) has been proposed with the understanding that a product constituting 50% or more in a blend would impart its essential features to the resultant

blend. Most blends are typically mixed in ratios like 1:1 or 1:2. The suggestion to increase the threshold to 80% lacks scientific basis.

- xxii) The forms of the PUC covered within the PUC definition may be treated as different PCNs. In case of blends covered under clause (f), each blend should be separately specified with the share of different antioxidants. While in case of blends covered under clause (g), each blend should be separately specified with the share of subject antioxidant therein. Interested parties may identify the value of other component forming part of blends and provided appropriate evidence to support their claim.
- xxiii) To prescribe PCN for powder and tablet form is unnecessary. These are merely different forms of the subject goods. Powder form is produced first and processed into tablets, with only 2% value addition. The cost difference is negligible. Additionally, the form of antioxidant cannot be identified in import data. Market information suggests that most imports are in powder form. The applicant can produce both forms as per demand.
- xxiv) The subject goods are normally produced and sold in terms of net weight expressed in terms of Metric Tonne (MT)/ Kilograms (Kg). The prescribed unit of measurement for all codes under Chapter 29 and 38 i.e., the codes under which subject goods are being imported is also weight “kg”.
- xxv) Subject goods produced by the domestic industry and that imported from China PR and Singapore are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing, and tariff classification of the goods. The two are technically and commercially substitutable. The product produced by the domestic industry is “like article” to the product under consideration imported from the subject countries.
- xxvi) The duty may be recommended only to the extent of subject AO in the blend. Thus, any concern regarding duties being imposed on non-subject AO would adequately be addressed.
- xxvii) Para 3(b) of the General Rules for the Interpretation of the Harmonized System establishes that where a product is composed of more than one component, the component that imparts essential character is decisive of its classification. It highlights the essential character of the product, which is important for assessing physical characteristics, end use, and consumer perception, key factors for product scope and like article analysis. Where classification aligns with the essential character and predominant composition of the product, it serves as a supporting factor in establishing the degree of similarity between the imported product and the domestically produced article. Hence, the General Rules support the argument that the characteristic of AO shall be determined by the major constituent of the AO.
- xxviii) As regards blending ingredients including functional additives other than AO, including other functional additives in a blend doesn't disqualify it as an antioxidant. If the antioxidant in the blend had no function, it wouldn't be added in the blend.
- xxix) As regards exclusion of B2777 i.e., a blend under clause (g) of the PUC definition, this blend is not exclusively made by Rianlon. Other producers also manufacture it. Domestic industry can make B2777 by sourcing the non-subject component i.e., AO 1790 from other suppliers. Since the market for this is small, domestic industry has not produced such blend.

End users can also buy AO 168 and AO 1790 individually and use to achieve similar stabilization properties. The domestic industry is, in any case, only seeking ADD on the subject AO component of the blend, not the entire blend. For instance, if AO 168 makes up 67% of B2777, duty applies only to 67% of total quantity.

- xxx) As for the exclusion of B2777 due to it having a significantly different application from other blends, i.e., B215 and B225, B2777 is a blend with two-thirds part of a subject AO and hence its imports are causing injury to the domestic industry.
- xxxii) As regards the proprietary blend with 60% subject AO and 40% of two other AOs, that is alleged to not be produced by the Applicant, even the name of such blend has not been disclosed by the respondent preventing the domestic industry from providing informed comments on the blend's nature or classification. Regardless, duties may be imposed only on the portion of the blend that includes the subject AO, ensuring no undue harm to users of genuine blends not supplied by the domestic industry.
- xxxiii) As regards the claim that the applicant lacks the know-how to produce the blend, the same is unfounded. Blends are sold with ingredient names disclosed, making the information accessible. Moreover, none of these blends are covered by patents. If they were truly unique or proprietary, they would be patentable.
- xxxiv) The applicant is also in discussion with a customer regarding a blend of subject antioxidant with non-subject antioxidant.
- xxxv) The applicant has only sought ADD to the extent of subject AO. The Authority can clarify that no duty would be charged on non-subject AO.
- xxxvi) In the U.S. investigations on 2,4-D from India and China, it was noted that converting 2,4-D acid into its salts or esters, or formulating non subject products with 2,4-D, does not exclude 2,4-D, its salts, or its esters from product scope. In this case, the DOC imposed duties on only 2,4-D, its salt and ester components within formulations. Similarly, in the Epoxy Resins case, the Designated Authority held modifiers or additives were included in product scope if epoxy resin made up at least 30% of the total weight.

C.3 Examination by the Authority

5. The product under consideration in the application and the initiation notification was defined as Antioxidants conforming to the following CAS numbers or their equivalent:
 - a. 6683-19-8 also known as Antioxidant 1010 and its equivalents. *The chemical name is Pentaerythritol tetrakis(3-(3,5-di-tert-butyl-4-hydroxyphenyl) propionate)*
 - b. 2082-79-3 also known as Antioxidant 1076 and its equivalents. *The chemical name is Octadecyl-3-(3,5-di-tert-butyl-4-hydroxyphenyl)-propionate*
 - c. 31570-04-4 also known as Antioxidant 168 and its equivalents. *The chemical name is Tris(2,4-di-tert butylphenyl) phosphite*
 - d. 23128-74-7 also known as Antioxidant 1098 and its equivalents. *The chemical name is N,N'-hexane-1,6-diylbis(3-(3,5-di-tert-butyl-4-hydroxyphenyl-propionamide))*
 - e. 125643-61-0 also known as Antioxidant L135 or 1135 its equivalents. *The chemical name is Benzenepropanoic acid, 3,5-bis (1,1-dimethylethyl)-4-hydroxy, C7-9-branched alkyl esters*

- f. Blends of antioxidants referred to in (a) to (e)
 - g. Antioxidants having any of the product at (a) to (e) as principal component/ part.
6. The applicant proposed that the various types of antioxidants falling within the scope of the PUC should be represented by distinct PCNs.
7. The interested parties, through para 9 of the notice of initiation, were advised to furnish their comments/ suggestions on the proposed PCN methodology within 30 days from the date of initiation of the investigation. Thereafter the timeline for filing of the comments or suggestions to the PUC/ PCN methodology was extended to 4th November 2024.
8. Comments were received from the interested parties within the stipulated time limits. Subsequent to the receipt of the comments, to discuss and understand the comments made on the scope of the PUC and PCN methodology, a virtual meeting was held at 04:00 PM (IST) on 22nd November 2024. After having conducted the discussion, the interested parties were allowed to elaborate on and further substantiate their comments, in writing, by 27th November 2024. The submissions made by the interested parties were examined by the Authority and *vide* notice dated 11th December 2024.
9. The scope of the PUC was clarified as follows *vide* notice dated 11th December 2024:

“6. The scope of the product under consideration is further clarified as follows:

- a. 6683-19-8 also known as Antioxidant 1010 and its equivalents. The chemical name is Pentaerythritol tetrakis(3-(3,5-di-tert-butyl-4-hydroxyphenyl) propionate)*
- b. 2082-79-3 also known as Antioxidant 1076 and its equivalents. The chemical name is Octadecyl-3-(3,5-di-tert-butyl-4-hydroxyphenyl)-propionate.*
- c. 31570-04-4 also known as Antioxidant 168 and its equivalents. The chemical name is Tris(2,4-di-tert butylphenyl) phosphite.*
- d. 23128-74-7 also known as Antioxidant 1098 and its equivalents. The chemical name is N,N'-hexane-1,6-diylbis(3-(3,5-di-tert-butyl-4-hydroxyphenylpropionamide))*
- e. 125643-61-0 also known as Antioxidant L135 or I135 its equivalents. The chemical name is Benzenepropanoic acid, 3,5-bis (1,1-dimethylethyl)-4-hydroxy, C7-9-branched alkyl esters*
- f. Blends of subject antioxidants referred to at (a) to (e)*
- g. Blends of subject antioxidants referred to at (a) to (e) with any other product if the resultant blend has 50% or more of the subject antioxidants”*

10. It was also clarified that:

- a. The term “equivalents” refers to the alternate names or company-specific brand names of the subject antioxidants under clause (a) to (e).*
- b. “any other product” under clause (g) refers to non-subject antioxidants and/ or any additives by weight in MT.*

- c. *In the case of blends, the interested parties may specify (a) the subject antioxidant forming part of it and (b) the share of different AO in the blend.”*

11. Considering that every kind of AO has a different cost and hence a different price, the product forms covered within the scope of PUC were treated as different PCNs. Further, each blend was treated as a different PCN. Accordingly, the following PCN methodology was adopted.

SN	Attribute	Description	Code
a)	Product type	Antioxidant	A
		Blends	B
b)	Type of Antioxidant	6683-19-8 also known as AO 1010 and its equivalents	1010
		2082-79-3 also known as AO 1076 and its equivalents	1076
		31570-04-4 also known as AO 168 and its equivalents	0168
		23128-74-7 also known as AO 1098 and its equivalents	1098
		125643-61-0 also known as AO L135 or 1135 its equivalents	1135
c)	Type of blend	Blends of subject AOs	BA
		Blends of subject AO with non-subject AO / products	BO

12. The Authority clarifies that for clause (g), **only the subject antioxidant of such blend is covered by the scope of this investigation and** the antidumping duty, if recommended, will be applicable only to the portion of the blend comprising the subject antioxidant. In any case, the non-subject components shall be beyond the scope of the measures, if recommended.

13. Other parties argued that the initiation notification stated that all subject antioxidants use metilox as base raw material and AO168 should be outside the PUC scope as it does not use metilox as a raw material. It has further been argued that AO168 is not produced by the applicant and it differs from other antioxidants, has different HS codes, and is not technically or commercially substitutable. It is noted that the applicant clarified that all antioxidants use butyl phenols – 2,4 DTBP or 2,6 DTBP – as the primary raw material. Nonetheless, raw material was not the only parameter based on which the Authority considered the different product types as one PUC. The Authority also considered the fact that the production equipment, the production process and the resultant characteristics of each type are largely the same. All subject antioxidants are closely interlinked in trade and usage. The essential function of the subject antioxidants including AO168 is to act as stabilizers, preventing the degradation of polymers during processing and throughout the product life cycle. While the specific composition and properties of these antioxidants may differ, the fundamental role across these

antioxidants remains the same, i.e., to prevent oxidation/ degradation of plastics. It is also seen that applicant has sold AO168 in commercial volumes.

14. The interested parties have contended that the applicant is not producing AO1098 in commercial quantities. The applicant provided evidence of sale of AO 1098 in commercial volumes. It is also seen that the imports and demand of this grade itself is quite limited.
15. The interested parties have contended that blends of subject antioxidants covered under clause (f) not produced by the applicant should be excluded and the scope should be restricted to B215 and B225. It is noted that since the applicant is already producing the subject antioxidants from clause (a) to (e), making blends other than B215 and B225 only requires blending of subject antioxidants in different ratios, without undertaking any chemical process. Further, there are other blends of the subject antioxidants, like B1171 and B912, which the applicant has produced and sold in the export market. Hence, blends of the subject antioxidants are rightly included within the product scope, as they are functionally and materially derived from the subject antioxidants at clause (a) to (e).
16. While the applicant claimed that blending is a minor process of merely mixing different products in a simple blender, does not involve any chemical reaction and stated that it can blend subject antioxidants if orders of such blends are received, the other interested parties claimed that blending is more than just mixing and requires research. The Authority notes, from the information on record, that blending does not involve any chemical reaction of the subject goods but rather is a process of proportionate mixing based on needs of the users. While interested parties have claimed that blending requires research, the applicant has clarified that research and development efforts are not involved in the physical act of mixing the antioxidants. Instead, R&D is required in determining the optimal combination and ratio of individual antioxidants in a blend to meet a specific requirement. It has been submitted that customers are generally informed of the blending ratios and compositions that meet their particular requirements. The Authority also notes, from the communication between the applicant and its customer, that tailor-made blends i.e., as per the ratios demanded by the consumers have also been prepared by the applicant. It is seen from such communications that the customers have requested changes in blend ratios and the creation of new blends, following which the applicant shared technical data sheets (TDS) and received corresponding orders. It is also seen that customers have also inquired whether the applicant could supply a blend of subject and non-subject antioxidants to meet user's specific needs. In response, the applicant synthesized a sample and shared the TDS with the customer. This further substantiates that consumers are aware of ratios and blends are made as per the customers' requirements. Blends and the ratios become known to all parties.
17. It is also noted that majority of sales made to the consumers are in neat form during the present period and the customers can simply switch to blends in case of imposition of ADD on neat form and exemption of blends. The blending can be easily carried out by the consumers, as they are well aware of the ratio in which the blends are mixed by the suppliers. During the oral hearing held on 26th May 2025, the Authority enquired whether members of the user

association purchase neat antioxidants and use them either in combination or after blending, but no response to the question posed was provided in their written submissions.

18. Some of the interested parties have contended that blends of subject antioxidants with other products are not manufactured by the applicant and should not be included. It was contended that in case such blends are included they should be part of the PUC only if one of the subject antioxidants is 80% or more. The applicant contended, and the same is unrebutted by the other interested parties, that while the subject goods are majorly sold in their neat form, almost entirety of the consumption is in blend form, implying that all users invariably use a combination of antioxidants. Thus, it is seen that limiting duties to subject neat antioxidants alone will lead to duty avoidance by shifting purchases to blends instead of importing the product in its neat form. Thus, blends covered under clause (g) are included in the scope of the product under consideration. Further, the criterion of 50% of subject antioxidant in clause (g) is considered appropriate as a product that is 50% or more (by weight) in a blend would form the "majority" or "dominant" part and will impart the major characteristic to the blend.
19. The Authority has considered the reference made by the applicant to the General Rules for the Interpretation of the Harmonized System, which states that in the case of mixtures or composite goods, the classification shall be based on the material or component that gives the product its essential character. While the interested parties have stated that classification alone does not establish whether a product is similar to or interchangeable with the subject goods, the applicant has relied on this principle to argue that blends should be included if the main component is a subject antioxidant which imparts the essential character to the blend. The Authority notes that such reference is not drawn to suggest that tariff classification would determine the product scope. It has only been relied upon to highlight the importance of identifying the essential character of a product.
20. It has been argued by other interested parties that they produce and export blends for which like article is not offered by the applicant, as it does not manufacture all components of the blend. For instance, the respondent exports AO B2777, which is a blend of AO168 and AO1790 in a ratio 2:1. However, since the applicant does not produce AO1790, it is unable to produce the blend AO B2777. The Authority notes in this regard that customers can buy two different subject antioxidants and can blend the same in the prescribed ratio. As already held above, the antidumping duty shall only be applicable on the portion of the blend or such component forming part of the blend for which like article is offered by the applicant. For any component of the subject blend for which the applicant does not offer a like article, no duty shall be applicable. It is further clarified that the duty will be applicable on such a blend only where the subject antioxidants referred to at (a) to (e) of the PUC definition form 50% or more of the resultant blend. It is noted that AO 168 i.e., a subject antioxidant forms 67% part in the composition of B2777. Further, since the duty is not applicable on the entire blend, of which the subject antioxidants form a majority part, the applicant is not required to demonstrate that it offers a like article for such blend. In any case, it has been submitted by the applicant that while it has not produced B2777 due to low market demand, it can buy AO1790 from other producers, and make blend B2777. The Authority notes that submission made by the applicant

that many users are currently buying subject AOs and non-subject AOs separately, blending them and then consuming. This submission has also not been contested by other interested parties. Hence, in a situation where blends under clause (g), including B2777, is excluded it may lead to the importers to switch to importing a blend of the required AOs instead of buying neat AOs separately and using them in a combination. This would lead to demand for the subject AOs shifting to such blends, thus leading to continued injury to the domestic industry, and frustrating the objective for which the domestic industry has sought the present measures.

21. As regards the contention that certain proprietary blends used in rubber applications, that contain 60% of a subject antioxidant and 40% non-subject antioxidants not produced by the applicant, it is noted that, similar to the case of blend B2777, the composition of such blends is disclosed at the time of sale and is known to the market. The applicant can procure the non-subject components from other manufacturers and replicate the blend if required. The customers can also procure the subject antioxidants separately and then blend as the antidumping duty will be applicable only to the portion of the blend comprising the subject antioxidant, and not to the non-subject components.
22. Concerns have also been raised regarding words like “equivalents” and “other products” making the product definition wide and difficult for the Customs Authorities to identify the product. It is noted that the word “equivalents” has been used in the scope of PUC as the producers sometimes export products based on their brand names. Thus, to prevent potential avoidance of measures, inclusion of “equivalent” in the names is necessary. As regards “other products” and identification by Customs Authorities is concerned, it is noted that the blends are imported while disclosing the ingredients. Thus, such information would be available to the Customs Authorities and also to the industry and its users.
23. It has been argued that since blends form a fraction, there is no case of dumping. However, it is seen that the subject goods include not only blends but also neat antioxidants. Further, imposition of duties only on neat antioxidants by excluding blends from the product scope may lead to a situation where users switch to importing blends, instead of buying neat antioxidants, which form a majority part of the current imports. Such a situation would render the duties ineffective.
24. As regards widening the scope at the apprehension of circumvention is concerned, the Authority notes that limiting the imposition of duties solely to neat (unblended) antioxidants is likely to allow importers to avoid the duties by shifting imports from neat antioxidants to blends of the same and as noted above, most of the consumption is in blend form. Such an outcome i.e., limiting imposition of duties to neat antioxidants only would undermine the remedial efficacy of the duties imposed. Therefore, to ensure the effectiveness of the measures and to prevent its avoidance, the scope of the product under consideration has been defined to include both neat antioxidants and blends thereof. This approach ensures that importers and exporters do not avoid the duties simply by altering the form of the subject goods while retaining their essential character and functionality.

25. The other interested parties have argued that once a blend is made, it becomes a single functional product, that cannot revert to its individual antioxidant constituents. The Authority notes that the applicant has not claimed that neat antioxidants can be reverted from a blend. However, majority consumption is in the form of blends and therefore, there is no necessity of recovering neat products from blends. The core concern is that if blends are excluded from the scope, importers could simply switch their requirements from neat antioxidants to blends, in the proportions in which they are otherwise used by them. This would render the anti-dumping duty ineffective.
26. As regards quality concerns raised by the some interested parties, the Authority notes that possible quality differences do not establish that the product offered by the domestic industry is not like article to the subject goods being imported. Nor it establishes absence of interchangeability of the products. The document provided by the interested party are communications between a user and the domestic industry wherein the user has pointed out flowability and packing related issues. It is seen that the said communications do not establish that the product of the domestic industry cannot be used interchangeably with the imported product. The applicant has stated that it is a new producer and such complaints received were duly addressed. The same was also verified by the Authority on sample basis during the physical verification at the applicant's plant and records maintained. It is seen that the applicant registers each complaint, noting the cause of the issue raised by the customer, and took corrective actions. It is also seen from the information submitted by the domestic industry that such complaints in relation to the domestic industry's total sales have decreased over time and the volume of purchases made by said customer has increased over time. Further, these do not mean that the domestic industry cannot manufacture the like article. It is seen that the domestic industry has sold substantial volumes of the subject goods in the domestic market as well as the export market. The domestic industry has supplied a cumulative volume of *** MT of the subject goods over the injury period. It, therefore, is not established that the domestic industry is unable to offer like article. It is further noted that the CESTAT in DSM Idemitsu Ltd vs. Designated Authority held that "*...Difference in quality will not make an article as different and Designated Authority was right in observing 'that the fact that qualities may be different, does not imply that the imported product and the domestic are not like articles'....*". The Authority therefore considers that the goods supplied by the domestic industry are like article to the imported product.
27. As regards prescribing PCN based on the form of the subject goods i.e., powder form or tablet form, it is noted that the applicant primarily manufactures and sells antioxidants in powder form, however, subject goods are also sold in granular form, as per demand. The powder form of subject goods is produced and later processed into tablets/ granules. It is seen that there is a minimal value addition of merely ***% involved in processing the powder into tablets or granules. Applicant has stated that while majority demand in the country is for antioxidants in powder form, application-wise both forms are the same. Tablets/ granules are used only to avoid dust that is possible while using the AOs in powder form. The Authority notes that the form in which antioxidants are imported i.e., powder or tablet/ granule cannot be identified from the import data.

28. In view of the above, the scope of the product under consideration is certain types of Antioxidants conforming to the following CAS numbers or their equivalent:

- a. 6683-19-8 also known as Antioxidant 1010 and its equivalents. The chemical name is Pentaerythritol tetrakis(3-(3,5-di-tert-butyl-4-hydroxyphenyl) propionate)
- b. 2082-79-3 also known as Antioxidant 1076 and its equivalents. The chemical name is Octadecyl-3-(3,5-di-tert-butyl-4-hydroxyphenyl)-propionate.
- c. 31570-04-4 also known as Antioxidant 168 and its equivalents. The chemical name is Tris(2,4-di-tert butylphenyl) phosphite.
- d. 23128-74-7 also known as Antioxidant 1098 and its equivalents. The chemical name is N,N'-hexane-1,6-diylbis(3-(3,5-di-tert-butyl-4-hydroxyphenyl-propionamide))
- e. 125643-61-0 also known as Antioxidant L135 or 1135 its equivalents. The chemical name is Benzenepropanoic acid, 3,5-bis (1,1-dimethylethyl)-4-hydroxy, C7-9-branched alkyl esters
- f. Blends of subject antioxidants referred to at (a) to (e)
- g. Blends of subject antioxidants referred to at (a) to (e) with any other product if the resultant blend has 50% or more of the subject antioxidants. **Only the subject antioxidant of such blend is covered by the scope of this investigation.**

29. The Authority notes that the subject goods are being imported under customs subheadings 29054290, 29071990, 29072990, 29181990, 29182910, 29182990, 29183090, 29189990, 29202100, 29202910, 29202930, 29202990, 29209000, 29242990, 29309099, 29336990, 38112900, 38119000, 38123910 and 38123990 of the Customs Tariff Act, 1975. Since the product under consideration is being imported under these HS codes, the same are considered by the Authority. The customs classification is indicative only and is not binding on the scope of the product under consideration and present recommendations.

30. The Authority notes that the article produced by the domestic industry and the product under consideration imported from the subject countries are comparable in terms of physical and technical characteristics, functions and uses, product specifications, pricing, distribution & marketing, and tariff classification of the goods. The two are technically and commercially substitutable. The Authority holds that the subject goods produced by the domestic industry is “like article” to the product under consideration imported from the subject countries within the scope and meaning of Rule 2(d) of the Anti-dumping Rules.

D. SCOPE OF DOMESTIC INDUSTRY & STANDING

D.1 Views of the other interested parties

31. The other interested parties have made the following submissions with regard to the domestic industry and its standing:

- i) Prior to initiation, the Authority is bound to validate standing. It should seek the interest of the other domestic producers in opposing/supporting the application. Both Krishna Antioxidants Pvt Ltd and HPL Additives Ltd existed prior to the applicant, meaning the applicant is bound to face resistance in acquiring market share.
- ii) The applicant's standing is questionable due to its claim that HPL primarily serves export demand and, therefore, only considered HPL's domestic production when determining "total Indian production." Export production can only be excluded if the producer is an importer or related to one. There is no legal justification for the applicant to exclude HPL's production intended for export.
- iii) The applicant has acknowledged that HPL has primarily procured raw materials under the "deemed exports" category, along with some under the normal category. This indicates that HPL has sales in the domestic market.
- iv) VAPL, which merged with VOL, has not participated in the investigation. Since the merger took effect in April 2021, but VAPL's trial production began in April 2020, the applicant cannot provide information for 2020–2021. The application should be rejected due to VAPL's non-participation.
- v) The “major proportion” should be understood as “a relatively high proportion that substantially reflects the total domestic production” and has “both quantitative and qualitative connotations.” The applicant fails to satisfy the qualitative aspect.

D.2 Views of the domestic industry

32. The applicant has made the following submissions with regard to the domestic industry and its standing:

- i) The application has been filed by M/s. Vinati Organics Limited (“VOL”).
- ii) Veeral Additives Pvt Ltd. (VAPL), an affiliate of VOL through common promoters, started trial production of subject goods in April 2020. However, the plant underwent a shutdown in September 2021 due to covid related and technical challenges in the plant. During this period, VOL further invested in the business, adding new equipment and revamping the plant. The company recommenced trial production in April 2022, and after securing necessary customer approvals, and commercial production in October 2022. In the meantime, i.e. in February 2021, VAPL and VOL proposed an amalgamation scheme which was approved by the NCLT in December 2023 with a retrospective effect i.e., from 1st April 2021. All activities earlier undertaken by VAPL stand to have been undertaken by VOL.
- iii) As on date, VAPL no longer exists as a separate legal entity or operates independently. Following its amalgamation, all its documents, records, and relevant materials are now held and maintained by VOL. Additionally, the applicant has revised its financials for 2021-2022 and 2022-2023 to reflect the merger. As regards VAPL not participating, an entity which doesn't exist cannot participate in the investigation.
- iv) Article 3.1 does not prescribe a particular methodology that an investigating Authority must follow in assessing whether a domestic industry is established. The Applicant is a

new industry. It built an entirely new unit for the production of the subject goods and commercialised production in October 2022.

- v) The applicant imported ***MT of the subject goods in June 2020 from China PR for testing purposes. The quantity of such imports constitutes merely ***% of the total volume of the subject imports during 2020 – 2021. The applicant is not related to any exporter or producer of the PUC in the subject countries or importer of the PUC in India.
- vi) Apart from VOL, the largest domestic producer, Krishna Antioxidants Pvt Ltd and HPL Additives Ltd. are also known to be the manufacturers of the subject goods in India.
- vii) Krishna Antioxidants Pvt. Ltd. and HPL Additives Ltd., have been approached by the applicant to intimate their interests at every stage of the investigation. Communication, providing information on their capacity, production, and sales has been received from Krishna Antioxidants Pvt Ltd. However, no communication has been received from HPL Additives Ltd by the applicant.
- viii) It is understood that Krishna Antioxidants expressed direct support to the Authority for imposition of duties on subject imports before oral hearing.
- ix) In the absence of contrary evidence or data from HPL, and consistent, with the obligation to rely on the best information available, the Authority has reasonably accepted this claim for the purposes of determining domestic industry support. In doing so, the Authority has complied with Article 5.4. The Authority has exercised due diligence, taken into account the structure of the industry, and relied on the best information reasonably available, thereby ensuring that the decision to initiate the investigation is in accordance with law.
- x) It is also understood that HPL Additives Ltd. primarily caters to the export market and not significantly engaged in serving the domestic market. The company has purchased raw material DTBP from VOL largely under deemed export sales, implying intension to export final product, while some material has also been purchased under normal category.
- xi) Actual information received from Krishna Antioxidants Pvt. Ltd. has been considered while determining total Indian production. Production of HPL Additives Ltd. has been calculated considering the sales of DTBP made by VOL to HPL Additives Ltd and information on imports of DTBP by HPL Additives Ltd. The production meant for domestic consumption has been considered while determining total Indian production.
- xii) Production by HPL may be excluded while domestic production is calculated. The Authority's earlier determinations, wherein production by EOUs and in SEZs has been disregarded for determining domestic industry ought to be followed.
- xiii) Even if the gross production by the two other Indian producers is considered for determining the total Indian production, the share of applicant will still be more than 50% of the total Indian production. The Applicant accounts for ***% of gross production and ***% of net production.
- xiv) The applicant constitutes a 'major proportion' of the total Indian production. It constitutes domestic industry within the meaning of Rule 2(b) and satisfies the criteria of standing in terms of Rule 5(3) of the AD Rules.
- xv) As regards HPL being an old producer and applicant not being a new industry, the Authority first identifies domestic industry i.e., the applicant in the present case, and then the nature of injury to the domestic industry. If the domestic industry has a history of longer period, material injury can be examined. If the history itself is for a lower period, injury is

examined for the period for which data is available. If it is lower than injury period, the Authority also compares actual and projected performance. HPL focuses on export, Krishna Antioxidants is also a new producer along with the Applicant trying to cater to the domestic demand. It is recognized by WTO members that even if established producers exist, their minimal role in meeting domestic demand allows for a new producer to still qualify under for material retardation. The presence of HPL does not imply that the domestic industry is already established.

D.3 Examination by the Authority

33. Rule 2(b) of the AD Rules defines the domestic industry as under:

"(b) "domestic industry " means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term 'domestic industry ' may be construed as referring to the rest of the producers"

34. The present application has been filed by M/s. Vinati Organics Limited (“VOL”). It is seen that the production of the subject goods was initially commenced by another company i.e., Veeral Additives Pvt. Ltd. (VAPL). VAPL had set up a new plant and commenced production in April 2020. The company, due to technical and Covid-19 pandemic related difficulties, underwent a shutdown in September 2021. In February 2021, VAPL and VOL proposed a scheme of amalgamation, which received approval from the NCLT in December. The merger was implemented retrospectively from April 2021. It is noted that all activities previously carried out by VAPL are now considered to have been undertaken by VOL. The applicant possesses the records of VAPL from the pre-merger period.

35. The applicant has submitted that it has been in operation and has produced and sold the subject goods since 2020, i.e., the base year of the injury period. However, at the same time, since the applicant recently commercialised its production, it is a new producer.

36. The applicant has declared that it had imported ***MT of the subject goods from China PR in the period prior to the POI i.e., in June 2020 for testing purposes. It is seen that the imports were not made during the POI. Even though these imports are not in the POI, the Authority has examined the imports of the subject goods made by the applicant during the financial year concerned. It is seen that such imports constitute less than ***% of the total imports of the subject goods from China PR into India during 2020 – 2021. It is further noted that the applicant has neither imported the subject goods from the subject countries in the POI nor is it related to any importer or exporter thereof.

37. The Authority notes that apart from the applicant, there are two other producers of the subject goods in India viz., Krishna Antioxidants Pvt. Ltd. and HPL Additives Ltd. It is seen that the applicant wrote to the other two domestic producers before initiation of investigation and also multiple times during the course of the investigation. While it received a response from Krishna, no response was received from HPL. The Authority published the initiation notification in the official Gazette and on the DGTR website. While the Authority received a letter in support of the investigation and imposition of duties from the Krishna, no communication was received from HPL. Further, while the other interested parties have contended that the applicant fails to meet the standing requirements under the rules, the Authority notes that none of the interested parties have provided any verifiable evidence to support their contentions. Hence, in absence of any verifiable evidence, the Authority has relied on the information available on record.
38. As regards the argument that the applicant is bound to face resistance by other producers since both the other domestic producers have existed prior to applicant, as already noted above, one of the producers i.e., Krishna Antioxidants has written to the Authority and supported the investigation and imposition of duties, while the other producer i.e., HPL Additives, has remained silent.
39. The applicant has put on record information received from Krishna Antioxidants Pvt Ltd in respect of its capacity, production, and sales, which was also provided by Krishna Antioxidants Pvt Ltd to the Authority along with its support letter. While no information has been received from HPL Additives Ltd, it has been submitted by the applicant that the company primarily caters to the export market. The applicant has submitted that production of the subject goods requires 2-4 DTBP and 2-6 DTBP as the principal raw materials. The only source of these raw materials is either the applicant or imports. The applicant has further submitted that it supplied the raw materials to HPL Additives Ltd. and therefore is well aware of business activities of other domestic producers. The applicant has quantified its share in the total Indian production considering the information on production received from Krishna Antioxidants Pvt Ltd and quantifying the production by HPL Additives Ltd on the basis of the raw materials procured by HPL Additives Ltd from the applicant i.e., the sole domestic producer of such raw material, and imports, including raw material purchased under “deemed exports”. In the absence of any contrary information, the Authority has relied on the information best available to it, i.e., the information made available by the Applicant.
40. As regards non-participation by VAPL in the present investigation, it is noted that VAPL has ceased to have any legal existence. Given that VAPL has ceased to have any independent legal existence, it is not feasible for it to participate in the present investigation. Since VOL is in possession of all relevant information concerning the subject matter, the applicant is in a position to furnish information covering the entirety of the injury period, including the time when VAPL was operational as a separate entity.
41. It is noted that CPMA, the user association, has accepted that India has three domestic producers of antioxidants, among whom the applicant holds over 92% of the production

capacity, while the other two i.e., Krishna Antioxidants Pvt Ltd and HPL Additives Ltd are limited to producing just one type of Antioxidant (either AO 1010 or AO 168).

42. As regards the argument that applicant's standing is questionable as it considered only HPL's domestic production when determining the total Indian production, it is seen that the share of the applicant is ***% of the total Indian production i.e., considering the gross production by the Indian producers. Based on information on record, the Authority has determined the Indian production and share of the applicant in Indian production as follows:

SN	Particulars	UOM	POI
1	Gross production of Applicant	%	***
2	Gross production of other producers		
i	Krishna Antioxidants	%	***
ii	HPL Additives	%	***
3	Total (/gross) Indian production	%	100

43. It is also noted from the information on record that the applicant has neither imported the subject goods from the subject countries during the POI nor is it related to any importer or exporter thereof.
44. Considering the information available on record, it is seen that the applicant accounts for a major proportion of Indian production in terms of the AD Rules. The production by the applicant accounts for a major proportion in total Indian production. The applicant is, thus, an eligible domestic industry within the meaning of Rule 2(b) and satisfies the criteria of standing in terms of Rule 5(3) of the Rules. Hence, the Authority holds that the applicant constitutes the domestic industry within the meaning of the Rules.

E. CONFIDENTIALITY

E.1 Views of the other interested parties

45. The other interested parties have made the following submissions with regard to confidentiality:
- i) The applicant has not provided a write-up on broad stage-wise manufacturing process though required by the trade notice.
 - ii) The applicant has excluded HPL's export-oriented production while reporting the volume and value of production by other producers. This information is essential to establish standing.
 - iii) The required data, as trend, on export sales quantity, value, cost, and per-unit realization has not been provided. This injures the interested parties' right to defense.
 - iv) The actual figure for NIP, in range, has also not been provided.
 - v) The Applicant has not disclosed country-wise price undercutting.
 - vi) Scheme of amalgamation and NCLT order have been kept confidential.

- vii) As per emails from the Authority, it appears applicant filed submissions without non-confidential versions.
- viii) Entire annexure of updated data has been kept confidential without providing summary.

E.2 Views of the domestic industry

46. The following submissions have been made by the domestic industry with regard to confidentiality:

- i) The respondent has referenced confidential communications between users and VOL, making it difficult for the applicant to respond effectively. The confidentiality claim extends to the entire document and even the user's name.
- ii) Entire data pertaining to PCN has been claimed confidential. Excessive confidentiality has been claimed in reporting the names of the product types exported or the PCN code. The applicant cannot advance a submission when it is not even aware of the name of the product exported.
- iii) Details of corporate structure have been claimed confidential by the BASF Group, although the same is publicly available.
- iv) The names of shareholders have been claimed confidential, which is unwarranted.
- v) Exporters in oral hearing have claimed that value chain of their exports is complete and all entities comprising the value chain has filed responses, however, the channels of distribution have been claimed confidential without any justified reasons. In absence of disclosure of the channel of distribution, the domestic industry is not aware of whether all the links of the supply chain have filed a questionnaire response and fulfilled the value chain requirements.
- vi) While respondents of the Rianlon Group have filed details of purchases of the PUC in Appendix 2, the entire appendix has been claimed confidential. Even the names of related parties from whom PUC was purchased has been claimed confidential without any justification.
- vii) Exporters are required to provide documents pertaining to domestic sales and exports to India with their questionnaire response. However, respondents have claimed even the names/ list of these documents as confidential.
- viii) Exporters have claimed confidentiality over their entire submission on adjustments for normal value and export price, preventing the applicant from responding to the legal arguments. While absolute figures may be confidential, the types of adjustments cannot justifiably be treated as confidential.
- ix) Antidumping investigation is a time bound investigation and the DGTR has given specific time limits to the interested parties to provide relevant information. WTO jurisprudence provides guidance that time-barred responses ought not be accepted. Interested parties were given 7 days to submit their confidentiality claims, which were not made. Therefore, their claims are clearly time barred.
- x) The domestic industry has provided all relevant information and has deviated from the format of trade notice 10/2018 only sparingly. The same is permitted if good cause can be

- established for such deviation. All deviation is done in case the information is business sensitive, disclosure of which would injure the applicant or is already provided elsewhere.
- xi) As regards confidentiality with respect to the production process, a general description of production process is publicly available and available through open sources. Specific production process followed by the applicant, including proprietary in-house know-how, is confidential business information, disclosure of which would compromise the applicant's competitive position.
 - xii) Confidentiality reasoning provided in application continues to be applicable for updated information as well.
 - xiii) As regards quantity and value of export sales, the information on trend basis has been provided with written submission filed. Similarly, net fixed assets, working capital, employees and inventories have also been provided.
 - xiv) At the instance of the Designated Authority, the Applicant furnished Format IV-A. A non-confidential version of the same was also circulated on a trend basis among the interested parties.
 - xv) The Authority directed parties to identify value of other components forming part of blend and provide evidence thereof. Applicant is unaware if such information has been provided at all. The same is absent in the non-confidential version of submissions.

E.3 Examination by the Authority

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

“7. Confidential Information:

- (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, sub-rule (4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub -rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.*
- (2) The designated authority may require the interested parties providing information on confidential basis to furnish nonconfidential summary thereof 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 authorize its disclosure in a generalized or summary form, it may disregard such information.”*

48. The information provided by the interested parties on a confidential basis was examined with regards to sufficiency of such claims. 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, the parties providing information on a confidential basis were directed to provide sufficient nonconfidential version of the information filed on a confidential basis. The Authority also notes that all interested parties have claimed their business-related sensitive information as confidential.
49. The Authority notes that *vide* para 38 of the initiation notification, the interested parties including the domestic industry were invited to offer their comments on the confidentiality claims within 7 days of receiving the non-confidential version of a document. In this regard, it is noted that the submissions made by Rianlon Group, alleging excessive confidentiality in the applicant's submissions are significantly delayed. Such comments were filed over 3 months after the circulation of application by the applicant updated for the POI considered by the Authority. Similarly, other interested parties have also made significantly delayed comments on confidentiality. Nevertheless, the Authority has addressed these submissions.
50. It is noted that the domestic industry has claimed confidentiality with regard to its export sales quantity, value, cost, and per-unit realization. Such confidentiality claimed is excessive and thus, the Authority directed the domestic industry to share this information in indexed form so as to allow the other interested parties to have a reasonable understanding of the same. On being directed at the time of the first oral hearing, the applicant provided its injury information i.e., Proforma IV-A, along with its written submission, duly providing information on its exports, as trend.
51. As regards the applicant excluding HPL's export-oriented production while reporting the volume and value of production by other producers, as already noted above, it is seen from the information on record that even if the gross production by the other two Indian producers is considered, the share of the applicant is still more than 50% of the total Indian production. In any case, while the applicant had provided its share in the total Indian production on a confidential basis with the application, it disclosed its share in both net and gross Indian production to the other interested parties through its post-oral hearing written submissions.
52. As regards the applicant not providing a write-up on broad stage-wise manufacturing process, it is noted the trade notice 10/2018 requires a single applicant company to disclose actual information on its broad manufacturing process. However, the footnote to the notice states that when the single applicant company is a multi-product company listed on the stock exchange or reporting its financials to the Ministry of Corporate Affairs, the extent of confidentiality which can be claimed should be correlated with the nature of its reporting available in the public domain. It is seen from the website and brochure of the domestic industry that information on its manufacturing process is also not available in the public domain. Hence, the extent of confidentiality claimed by the applicant is allowed. The Authority also notes that the

participating producers from the subject countries have also claimed confidentiality over their respective production processes in the questionnaire response.

53. As regards the argument that price undercutting has not been established in the application, it is noted that while application proforma does not require the domestic industry to report price undercutting calculations, the applicant had provided information on landed price and its selling price in the application and had made statements regarding price undercutting. In any case, price undercutting has been examined by the Authority in the relevant section of this final finding.

F. MISCELLANEOUS SUBMISSIONS

F.1. Views of the other interested parties

54. The other interested parties have made the following miscellaneous submissions:

- i) The applicant's operations are newly established, making high fixed and start-up costs inevitable in the initial years, particularly until the projected utilization is reached. Therefore, the Authority should follow its established practice and normalize the domestic industry's elevated costs when calculating NIP and IM.
- ii) Any injury to the applicant cannot be considered before commercial production began. During the trial production, the applicant could not have faced import competition. Therefore, the injury period should be restricted to 2022-23 up to the POI.
- iii) Choosing 2020-21 as the base year would create a misleading picture due to the impact of Covid-19. Further, before 2022-23, the injury was primarily due to technical challenges associated with the new plant. The applicant was unable to meet demand, both in quantity and quality, leading users to rely on imports.
- iv) Competition would only begin with commercial production, which started in April 2022. Given the lack of sales data before that time, a shorter injury period is justified. The WTO recommends an injury period of at least three years, except when the data source has existed for a shorter duration.
- v) Authority is requested to provide non-confidential version of the applicant's rejoinder so that the respondents are better able to appreciate the disclosure statement.
- vi) The applicant has, for the very first time, filed certain information related to the product and injury which cannot be taken on record.
- vii) The investigation should be terminated as the preconditions of Rule 2(b) and Rule 5 i.e., requirements of domestic industry's standing and eligibility have not been met. However, if the Authority proceeds regardless, the interested parties should be provided a fresh oral hearing.
- viii) Application has to include information for the POI and previous financial years. It has manipulated the injury period by providing data for 2020–21, 2021–22, Apr'22–Jun'23 (15 months), and the POI, deviating from the prescribed format. The Authority did not direct the applicant to treat the previous year as a financial year, nor was any reason for

this deviation mentioned in the NOI. Despite the respondent's request for compliance with trade notice, no communication or corrective direction was issued by the Authority.

- ix) There would not have been any gap if, instead of adding extra quarter in the previous year, the applicant had added the said quarter in the POI, as is the usual practice in all cases.

F.2. Views of the domestic industry

55. The following miscellaneous submissions have been made by the domestic industry:

- i) The necessary information with respect to costs incurred is already on record, and the Authority may determine the NIP accordingly. As a new producer, the applicant acknowledges having a higher actual cost of production. However, injury has been assessed not based on actual profit, cash profit, and return on investment, but at the optimum level of production. This approach segregates the impact of new production operations on costs and, on profitability indicators.
- ii) While the injury to the domestic industry until June 2022 was due to "other factors", the product was still being exported at dumped prices during this period. The domestic industry faced two issues: (a) the product was not approved by some consumers, and (b) the company received inadequate prices due to dumping.
- iii) Even prior to the POI, the company's product was approved by several consumers. About ***% of demand in the country was from those consumers who had approved the applicant's product. To avoid confusion, the applicant has excluded this period from the proposed POI for investigations. The fact that the domestic industry faced other challenges before the POI, however, does not break the causal link.
- iv) The Authority provided multiple opportunities for interested parties to present their arguments, including a meeting on the scope of PUC, an oral hearing, and a second oral hearing following a change in the Designated Authority. The applicant believes no further hearing is necessary since all parties have been heard. The Authority will address concerns in the disclosure statement, invite comments, and issue a reasoned conclusion in its final findings.
- v) Para 2(iii) of the Trade Notice 02/2004 requires data for the POI and previous 3 financial years, allowing overlaps but no gaps. The present injury period is a continuous and gap-free. The inclusion of April–June 2023 ensures compliance and continuity. Law dictates that procedural rules must be purposively interpreted to serve their objectives. There is no illegality or procedural impropriety in the proposed POI and injury period.

F.3. Examination by the Authority

56. The Authority has determined the Non-Injurious Price (NIP) in accordance with Annexure III of Anti-dumping Rules based on its consistent practice, normating the costs of the applicant.

57. As regards providing a non-confidential version of the rejoinder submission to better understand and appreciate the disclosure statement, the Authority notes that, as a matter of

practice, the non-confidential versions of the rejoinder submissions are not circulated among the interested parties. Further, the disclosure statement issued by the Authority incorporates the views and submissions of all interested parties, including those made in rejoinders, so to allow a comprehensive understanding of the basis of the Authority's analysis and findings. Further, all interested parties are allowed an opportunity to submit their comments on the disclosure statement itself. Thus, the interested parties get the opportunity to comment on the submissions made by other interested parties to the extent these submissions have been considered by the Authority.

58. As regards the argument that the certain information filed by the applicant for the first time in their written submissions cannot be taken on record as the other interested parties were not given the opportunity to address the same, it is noted that all the interested parties were allowed sufficient time and were given the opportunity to file their rejoinder submissions. Hence, all parties were in fact given the opportunity to address the issues. Further, in the instant case, the Authority has held another hearing, after elapse of significant time, and therefore, the interested parties had sufficient opportunity to offer comments on the submissions made by the domestic industry.
59. As regards the appropriateness of the injury period selected, consistent with the past practices of the Authority, it has been found appropriate to examine injury for a longer period i.e., since 2020 – 2021 to the present POI. The present injury period allows comprehensive injury analysis. Further, the Authority also notes the applicant's claims that its product was approved by some of the customers even prior to the POI. Further, while injury in the past was due to other factors, the applicant has claimed that even during this period imports were entering the country at dumped prices.
60. As regards the argument that choosing 2020-21 as the base year would create a misleading picture due to impact of Covid-19 and that the injury period should be limited to 2022-23 up to the POI, i.e., only the commercial production period, it is noted that the injury period is generally considered as the three immediately preceding years plus the POI. It should cover at least three years unless the applicant has been in existence for a shorter duration, in which case the available data for the entire period is taken into account. In cases of material retardation, a shorter injury period may be considered if the industry itself has been operational for less than three years. In the present investigation, the domestic industry commenced production in April 2020, producing *** MT and selling *** MT during this period. Given the significant volume of production and sales during this period, as well as the availability of relevant data since April 2020, the selected injury period extends from 2020–21 to the POI. Further, injury in the POI has been alleged solely on account of dumped imports. Furthermore, the applicant's performance has been normatted to account for its new establishment. Since sufficient data is available to assess material injury to the domestic industry, even though the applicant has also drawn a comparison between its actual and projected performance, the Authority has taken a note of the same.

61. As regards the argument of deviating from the trade notice and presenting data for 15 months for the previous period (i.e., April'22-June'23), it is noted that all financial years have been considered part of the injury period. The previous year is a period of 15 months, as it in addition to including a whole financial year, it includes an additional quarter to avoid any gap within the injury period and the POI. The Authority notes that WTO guidelines provide that there should be no gap in periods forming part of injury period. Thus, it is noted that the injury period should be gap-free and continuous, with the years before the POI including data for financial years.

G. ASSESSMENT OF DUMPING AND DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

G.1. Views of the other interested parties

62. The following submissions have been made by the other interested parties with regard to the normal value, export price and dumping margin:

- i) The alleged price variation, if any, could have been foreseen but no such claim was made earlier. Request for calculating quarterly margins should've been made initially.
- ii) Quarterly analysis of margins is unnecessary. There is insignificant variation in the raw material cost. The applicant's request is unjustified and should be rejected.
- iii) While a table for quarter-wise injury margin is provided in the application, there is no reference to a quarter-wise dumping margin. The quarter-wise injury margin in the application is given in relation to the claim of "material retardation." The applicant has not provided any information, data or analysis to the DGTR which could meet the strict criteria of para 6(iv) of Annexure I.
- iv) The difference between weighted average export price for each PCN of Rianlon Group over 4 quarters of the POI is insignificant with no/ minimal variance.
- v) No requirement or provision in the questionnaire responses to make any claim of dumping or the absence thereof. Absence of express denial does not merit acceptance of dumping by the exporter.
- vi) Respondents are open to export price verification as requested by the applicant provided that DG Systems data is provided to them in excel as per CESTAT's decision in Exotic Décor. Further, in case of discrepancy, it should be allowed adequate opportunity to explain the same.
- vii) Individual dumping margin may be calculated for the Rianlon Group.

G.2. Views of the domestic industry

63. The following submissions have been made by the domestic industry with regard to normal value, export price and dumping margin:

- i) China PR should be considered a non-market economy, in line with the position taken by the Authority in previous cases, and by the investigating authorities in other countries. Chinese producers' cost and price cannot be relied upon for determination of normal value.
- ii) Chinese producers are required to be treated as companies operating under non-market economy environment and the Authority may proceed to determine the normal value on the basis of Para 7 of Annexure-I.
- iii) Relevant data was not available for the price in a market economy third country and constructed value in a market economy third country. The price from a third country to India i.e., imports from Korea RP to India, which constitute 13% of the total imports of the subject goods into India, has been considered for normal value calculation.
- iv) Alternatively, the normal value for China PR has also been constructed based on the estimates of cost of production in India, after addition for selling, general & administrative expenses. Due adjustments were made to this price to include conversion costs based on the domestic industry's information, a reasonable profit margin and SGA.
- v) Efforts were made to get evidence of price of product in the domestic markets of Singapore. However, no publication provides prices of the PUC in the global market including Singapore. The prices are transacted between the producer and consumers and therefore the same are not in public domain. Hence, Normal Value in Singapore has been determined considering the cost of production in India, after addition for selling, general & administrative expenses and reasonable profits.
- vi) Export price has been determined considering the volume and value of imports for the proposed period of investigation as per data procured from secondary source. Price adjustments have been claimed on a conservative basis for the purpose of fair comparison.
- vii) The dumping margins calculated for the subject countries are not only above the *de-minimis* levels, but also quite significant.
- viii) BASF Group has provided details of domestic sales in Appendix 4A and stated that the normal value has been claimed based on sales in the home market. A trader from the BASF Group, viz., BASF (China) Co. Ltd, has also filed a response to the exporter's questionnaire, stating that it has only sold the product under consideration in the domestic market and not in India. However, the respondents have not filed a response to the supplementary questionnaire.
- ix) The applicant has calculated the dumping and injury margins through a quarterly comparison of normal value and export price, considering significant cost and price variations over time. The Authority is requested to consider the same for the purpose of the findings.
- x) The Authority is requested to verify export volumes and values reported by exporters against data from DGCI&S and DG Systems, reject questionnaire responses and use facts available when claims don't match Indian customs data, and examine – invoices submitted to Chinese and Indian customs authorities, accounting invoices used to report income and expense, payment proof, including bank statements and party account records. The response should be rejected if an exporter reports conflicting prices to Chinese and Indian customs, and if exporters fail to provide sufficient proof of payment from Indian buyers.

- xi) Previously, the Authority adjusted for VAT differences which has not been reported as a price adjustment recently. The Authority should make necessary price adjustments to ensure comparability between normal value and export price.
- xii) Excel files alone are not sufficient evidence of adjustments. To establish accuracy and adequacy, they must be supported by relevant documents. The Authority should direct exporters to furnish necessary information with evidence.
- xiii) The Authority is requested to conduct a completeness test of each exporter's EQR, covering all company operations and those specifically related to the PUC.
- xiv) None of the exporters have claimed that dumping is not taking place. In absence of denial, it is only reasonable for applicant to infer existence of dumping.

G.3. Examination by the Authority

64. The Authority notes that the domestic industry had demanded that the dumping margin and injury margin be determined by considering quarterly normal value, export price, landed price and NIP. The Authority however notes that the data on record does not justify a need for quarterly evaluation of dumping margin and injury margin. The Authority has therefore not determined dumping margin and injury margins on quarterly basis.

Determination of Normal Value for China PR

65. Under Section 9A(1)(c) of the Act, normal value in relation to an article means:

- i. the comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or*
- ii. when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-*

(a) comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or

(b) the cost of production of the said article in the country of origin along With reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transhipped through the country of export or such article is not produced in the country of export or there

is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

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

"Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

"(a) In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology, that is not based on a strict comparison with domestic prices or costs in China based on the following rules:

- (i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;*
- (ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.*
- (iii) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.*
- (iv) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.*
- (v) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event; the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition,*

should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector. "

67. It is noted that while the provisions contained in Article 15(a)(ii) expired on 11.12.2016. However, the provisions under Article 2.2.1.1 of the WTO read with obligation under 15 (a) (i) of the Accession protocol require the criterion stipulated in para 8 of Annexure I of India's AD Rules to be satisfied through the information/data to be provided in the supplementary questionnaire for claiming the market economy status.
68. At the stage of initiation, the Authority constructed the normal value for China PR based on the best estimates of the cost of the production of the domestic industry after duly adjusting the selling, general and administrative expenses and profits. Upon initiation, the Authority advised the producers/ exporters in China PR to respond to the notice of initiation and provide information relevant to determination of their market economy status. The Authority sent copies of the supplementary questionnaire to all the known producers/ exporters for rebutting presumption of non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules and furnish relevant detailed information. The Authority also requested Government of China PR to advise the producers/ exporters in China PR to provide the relevant information.
69. While BASF China, in its questionnaire response, has stated that it has claimed normal value based on the sales in the home market. However, neither BASF nor any other exporters/producers has filed response to the supplementary questionnaire, nor contested the NME status of China PR treated by the Authority at the stage of initiation. Thus, in view of the above position and in the absence of rebuttal of the non-market economy presumption by any Chinese exporting company, the Authority considers it appropriate to treat China PR as non-market economy country in the present investigation and proceed with para 7 of Annexure-I to the Rules for determination of normal value in case of China PR.

70. Para 7 of Annexure I of the Rules reads as under:

In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted, if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties

to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.

71. Para 7 lays down a hierarchy for determination of normal value and provides that normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other country, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted, if necessary, to include a reasonable profit margin. Thus, the Authority notes that the normal value is required to be determined having regard to the various sequential alternatives provided under Annexure 7.

There is no evidence of price or constructed value prevailing in market economy third country brought forward by any interested party. Thus, normal value could not be determined based on price prevailing in market economy third country. The domestic industry had suggested consideration of imports from Korea RP into India as the basis for the determination of normal value for China PR at the stage of initiation. While it is seen that the imports of the subject goods from Korea RP constitute 17% of the total imports into India, the spread of PCNs is limited and does not cover all the PCNs considered. There are no imports of one of the PCNs from Korea RP while the import volumes of two of the PCNs are negligible. Thus, imports from market economy third country into other countries, including India, could not be considered for determination of normal value.

72. In the absence of the above information/evidence before the Authority to determine normal value, the Authority has determined normal value for all exporters/producers from China PR based on “any other reasonable basis including the price actually paid or payable in India” as stipulated in para 7 of Annexure – I to the AD Rules, 1995. Hence, normal value has been computed based on the cost of production of the domestic industry, with reasonable addition for selling, general and administrative expenses, and profits. The normal value so determined is given below in the dumping margin table.

Determination of Normal Value for Singapore

73. BASF South East Asia Pte. Ltd. is a producer of the subject goods in Singapore. During the period of investigation, it has sold the subject goods both in the domestic market and the Indian market.
74. It is seen that during the period of investigation, BASF South East Asia Pte Ltd. has sold *** MT of subject goods in the domestic market, whereas it has exported *** MT of subject goods to India, out of which *** MT has been directly exported to related customer in India i.e., BASF India Ltd while the balance *** MT has been exported through related exporter viz., BASF Hongkong Ltd., to the same related customer in India i.e., BASF India Ltd.

75. The Authority notes that the domestic sales are in sufficient volumes when compared with exports to India. All sales in domestic market are made to unrelated parties. To determine the normal value, the Authority conducted the ordinary course of trade test for each PCN to determine profit making domestic sales transactions with reference to cost of production of subject goods. For PCNs where profit making transactions were more than 80%, the Authority considered all the transactions in the domestic market for the determination of the normal value of that PCN. Where, for a PCN, profitable transactions were less than 80% but more than 20%, the Authority determined normal value taking into consideration domestic selling price of such profit-making sales. Further, for PCNs, where profitable transactions were less than 20%, the Authority determined normal value based on the cost of production of the PCN and overall profit margin.

Determination of Export Price

76. The responses filed by the producers/ exporters have been examined hereunder:

77. The Authority notes that the interested parties were directed to quantify and intimate the value of non-subject AO in blends exported, so that the same could be excluded from the export value of the product. Since the scope of PUC is limited to only subject neat antioxidants or their blends or their blends with non-subject antioxidants to the extent of subject antioxidants, it was imperative for the interested parties to quantify and substantiate the value of non-subject antioxidant forming part of such blends. While the interested parties should have, on their own, provided this information, however, despite specific directions to this effect, the interested parties failed to provide relevant information. In view of non-cooperation and considering low volume of such blend sold by the concerned exporters, the Authority has considered it appropriate to exclude the such sales from determining dumping and injury margin.

Export price for China PR

Rianlon Group from China PR

78. The Authority notes that four group companies from the Rianlon Group in China PR have filed response to the exporter's questionnaire.

- a) Rianlon Corporation (*producer*) has exported *** MT of the subject goods directly and *** MT of subject goods to India through Rianlon Technology (*trader*)
- b) Rianlon (Zhongwei) New Material Co., Ltd (*producer*) has exported *** MT of subject goods to India through (i) Rianlon Technology (*trader*) and (ii) through Rianlon Corporation (*producer referred above*).
- c) Rianlon (Zhuhai) New Material Co., Ltd. (*producer*) has exported *** MT of the subject goods through Rianlon Technology (*trader*).

79. There are no direct exports made by the producers i.e., Rianlon (Zhongwei) New Material Co., and Rianlon (Zhuhai) New Material Co., Ltd. of goods produced by them. It is seen that Rianlon

Corporation, a producer, has sold goods produced by it through a trader i.e., Rianlon Technology. It has also acted as a trader by selling goods produced by Rianlon (Zhongwei) New Material Co.

80. The export price has been determined based on the export price reported by the exporter. Adjustments have been reported for credit cost, bank charges, port handling, insurance and inland freight and the same have been allowed. Exports have been made on CIF, CFR, C&I and FOB basis. Thus, appropriate adjustments, based on average freight and insurance reported for CIF transactions, have been considered for transactions made on CFR, C&I and FOB basis. The export price is mentioned below in the dumping margin table.

BASF Chemicals Co., Ltd. from China PR

81. BASF Chemicals Co Ltd. is producer in China PR, who has exported *** MT of the subject goods to related customer, i.e., BASF India Ltd in India, out of which *** MT was exported directly and the remaining was exported through related trader viz., BASF Hongkong Ltd.
82. The export price has been determined based on the export price reported by the exporter. Adjustments have been reported on account of ocean freight, inland freight, insurance and credit cost and the same have been allowed. The export price at ex-factory level has been calculated as mentioned in the dumping margin table below.

Other producers/exporters in China PR

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

Export price for Singapore

BASF South East Asia Pte Ltd. in Singapore

84. During the period of investigation, BASF South East Asia Pte Ltd. has sold ***MT of subject goods in the domestic market, whereas it has exported ***MT of subject goods, out of which ***MT has been directly exported to India and balance was exported through related exporter i.e., BASF Hongkong Ltd.
85. The export price has been determined based on the export price reported by the exporter. Adjustments have been reported on account of ocean freight, inland freight, insurance and credit cost and the same have been allowed.

86. Where the sales were made on FOB basis and CIP basis, appropriate adjustments have been made (as reported) to arrive at the export price. Thus, the export price at ex-factory level has been calculated as mentioned in the dumping margin table below.

Other producers/exporters in Singapore

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

Determination of Dumping Margin

88. The normal value, export price and dumping margins so determined for the subject goods from the subject countries in the present investigation are as follows.

Dumping margin Table

Producer	PCN	Volume Exported	Normal Value	Export Price	Dumping Margin	Dumping Margin %	Dumping Margin Range
China PR							
BASF Chemicals Co Ltd. China	A0168	***	***	***	***	***	10-20
	A1076	***	***	***	***	***	15-25
	Total	***	***	***	***	***	10-20
Rianlon Group	A0168	***	***	***	***	***	20-30
	A1010	***	***	***	***	(***)	(5-15)
	A1076	***	***	***	***	***	30-40
	A1098	***	***	***	***	(***)	(40-50)
	A1135	***	***	***	***	***	0-10
	BA 1098 and 168 in the ratio 1:2	***	***	***	***	(***)	(30-40)
	BA 1010 and 168 in the ratio 1:2	***	***	***	***	***	0-10
	BA 1010 and 168 in the ratio 1:1	***	***	***	***	***	10-20
	Total	***	***	***	***	***	0-10
Any other			***	***	***	***	45-55
Singapore							
	A0168	***	***	***	***	***	40-50

BSEA Singapore	A1010	***	***	***	***	***	60-70
	A1135	***	***	***	***	***	20-30
	BA 1010 and 168 in the ratio 1:1	***	***	***	***	***	15-25
	BA 1010 and 168 in the ratio 1:2	***	***	***	***	***	55-65
	Total	***	***	***	***	***	55-65
Any other			***	***	***	***	75-85

H. ASSESSMENT OF INJURY

H.1 Views of the other interested parties

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

- i) There is ambiguity regarding the form of injury i.e. whether material injury or material retardation.
- ii) The domestic industry could not have suffered material retardation since it was already established during the POI. If the Authority determines that the domestic industry is established, assessing material retardation instead of material injury would be inappropriate.
- iii) Two factors indicate that the domestic industry is established: (a) a genuine and substantial commitment of resources to domestic production, and (b) production reaching commercial volumes. Moreover, the applicant has been producing butyl phenols since 2020, making it feasible for them to commence PUC production. The domestic industry was already established during the POI and cannot claim material retardation.
- iv) Material injury and retardation are mutually exclusive; an industry cannot be both established and not established simultaneously. The type of injury should have been clarified at the initiation stage. Further, material retardation case has to be made against an “industry” rather than a “particular producer”.
- v) While imports have risen, demand has grown significantly as well. The increase in domestic sales has surpassed the rise in imports.
- vi) Imports in relative terms have remained same or fallen.
- vii) The cost fell by ***% but price increased by 42% over the injury period. There is no price depression.
- viii) The applicant’s production increased even though capacity was the same throughout. It seems that the production decreased in Apr’22 – Jun’23, as the applicant concentrated on production of NPUC and also underwent shutdown from Oct’22 – June’23.
- ix) The applicant has stated that post takeover, it made significant investment. However, installed capacity remained stagnant.

- x) As demand grew, the applicant was able to increase sales. Net sales realization also rose with a slight decline during the POI, which appears to be a result of the applicant lowering its selling price to capture market share.
- xi) The drop in selling price during the POI may also be attributed to scrap sales at lower prices in 2023-24. Scrap sales amounted to Rs. ***lakhs as of March 31, 2023, increasing to Rs. . ***lakhs by March 31, 2024. This must be verified by the Authority.
- xii) Interest costs declined, surged sharply between April 2022 and June 2023, and then decreased again. This sudden increase accounts for the high costs.
- xiii) Profitability has improved over the injury period, with the domestic industry increasing prices without a significant rise in costs. As a result, per-unit losses reduced during the POI.
- xiv) Profits fluctuated instead of showing a consistent downward trend. The improvement in 21-22 followed by a decline does not correlate with imports.
- xv) With substantial investment in the new plant, the domestic industry's net fixed assets and depreciation costs would have risen significantly. This is evident from its balance sheets. However, minimal new investment appears to have been made in property, plant, and equipment until March 2024. There was an increase in 2022-23 when commercial production commenced.
- xvi) Productivity has improved overall. The decline in productivity between April 2022 and June 2023 was due to plant shutdowns and cannot be attributed to imports.
- xvii) Average inventory shows increase to cope up with the increasing production and sales.
- xviii) Imports have no negative impact on economic parameters. Almost all factors show improvement.
- xix) The substantial investment in improving product specifications, operating the new plant, and stabilizing production resulted in significant costs for the applicant, leading to incurred losses.
- xx) The domestic industry experienced injury due to its inability to provide a range and quality of products that align with customer expectations and requirements.
- xxi) The applicant's injury stemmed from its own limitations and the pandemic. Technical and qualification failures, which caused losses and low productivity, constitute self-inflicted injury rather than injury caused by imports.
- xxii) The applicant has not secured approvals from major users, limiting its ability to gain market share, contributing to injury. Global suppliers have established long-term relationships with customers, while the applicant struggles to secure demand due to limited trust and reputation.
- xxiii) Users do benefit from a domestic supplier of raw materials but cannot be compelled to purchase from Applicant industry which continues to exhibit quality deficiencies. The claim that the applicant has overcome quality issues cannot be accepted on face value and does not eliminate the fact that it faced serious challenges due to quality concerns during the IP and the POI.
- xxiv) The applicant has merely requested the Authority to follow the approach followed in a material retardation case, but its claim is to evaluate material injury. In absence of any claim regarding material retardation, no such determination can be made by the Authority.

- xxv) As regards the claim that adjusting raw material cost will demonstrate significant dumping, any adjustment contrary to the scheme of the provisions of Article 2.2 and Section 9A(1) read with Rule 10 shall be illegal.
- xxvi) The increase in Rianlon's exports is due to the widening demand-supply gap as exports by the applicant increased by ***%.
- xxvii) The applicant has claimed there is not demand supply gap. However, having sufficient capacity isn't enough. It takes time to reach optimum utilization level.
- xxviii) With growing demand, the applicant's capacity may no longer remain sufficient.
- xxix) Rianlon group's landed value is more than the landed value mentioned by the applicant. There is no price-undercutting by Rianlon group.
- xxx) Market share of applicant has increased over injury period and has remained higher than market share of subject imports.
- xxxi) The applicant had claimed that landed price of imports is below cost preventing it from increasing prices to the level of costs. However, data in its written submissions shows that selling price is above both cost and landed price.

H.2 Views of the domestic industry

90. The following submissions were made by the domestic industry with regard to injury and causal link:
- i) The conditions for cumulative assessment laid down in para (iii) of Annexure – II of the Rules are met. Therefore, cumulatively assessment of the impact of dumped imports is requested.
 - ii) The form of injury to domestic industry in the present case should be considered as that of (a) material injury to the domestic industry, or (b) in the alternative, material retardation to the establishment of domestic industry.
 - iii) VOL has been in production and sale for 4 years, i.e., the complete injury period. It was in trial operations/ production for 30 months, including 7 months of shutdown, and in commercial production for 9 months. Since commercialization was recent, VOL may in the alternative be treated as establishing.
 - iv) While the WTO guidelines provide that the injury period shall be at least 3 years, the DGTR has prescribed that the injury period shall be at least the POI and preceding 3 years. Hence, there may be an overlap but there should be a gap. Further, the rules do not differentiate between trial and commercial production. However, the domestic industry should have produced and sold the product in commercial volumes.
 - v) Sufficient information is also available for determination of material injury to the domestic industry. While VOL the volume of trial production totaled to ***MT, the volume of production after commercialisation totaled to *** MT. In situations where the domestic industry has operations for four years, the Authority has in the past considered the industry as an established industry and examined material injury.
 - vi) In the investigation on imports of IIR where the trial production started in the base year and commercial production was declared just prior to the POI, the Authority examined

material injury. However, since the industry was still recent, the Authority considered “material injury to new industry”.

- vii) The first step in assessment of injury is identification of the domestic industry. In the present case, the applicant alone constitutes domestic industry. The second step is to determine the form of injury. If the domestic industry identified has a history for longer periods, the Authority can examine material injury. But, if the domestic industry has a history of lower period, the Authority shall examine injury for a lower period. Additionally, the projected performance of the domestic industry is compared with its actual performance.
- viii) While existing producers may be present in a market, if their production is minimal compared to demand, a new producer setting up facilities should be considered when assessing injury to the domestic industry. The situation may still qualify for material retardation. Mere existence of other producers, if they were catering to miniscule demand, does not mean that the industry is established. In any case, production by the applicant constitutes more than ***% of total Indian production. Thus, applicant undisputedly constitute the domestic industry for which “injury” would be seen.
- ix) The Applicant commenced production in April 2020 i.e., more than 3 years before the POI and commercial production in October 2022. However, it has not reached the projected levels of production, sales volume, capacity utilisation and profitability. Considering that the performance was not optimum, the Applicant has additionally provided information considering optimum level of production and capacity utilization for the plant.
- x) The applicant has not been able to achieve a reasonable market share. However, the expected level was much higher which itself establishes injury caused by dumping. The WTO panel in the matter of Morocco- Hot Rolled Steel had held while considering establishment of an industry, an objective Authority should consider whether an industry's ability to capture as much as 40% of the merchant market, even though selling at a loss, nevertheless indicates that the presence of that industry is sufficiently stabilized.
- xi) The data provided indicates the normatted cost, consumption and production levels, and yet shows financial losses. The actual cost of production and losses are significantly higher.
- xii) VAPL and VOL were two separate legal entities when production of the like article commenced. The subject goods and the other goods produced by VOL have no material overlap. The applicant established a new dedicated plant for antioxidants. The land being used for the production of the product is a separate land from that of the other plants of VOL. The plant and equipment deployed for production of PUC is also different. While the production of subject goods requires 2,4 DTBP, 2,6 DTBP and methanol, which are being produced and captively consumed by the Applicant, these are also sold in the merchant market. There is significant value addition from these raw material to total cost of subject goods. The subject goods and other products of the applicant perform different functions and are used by different set of industries. Since the usage of the subject goods is different, there is no overlap with their existing

- customers and clients. Further, the distribution channel is all different for different products.
- xiii) The Authority in the past several cases has examined different forms i.e., both material injury and material retardation for one defined domestic industry. As was also noted in the recent investigation concerning imports of IIR, there is no bar under the law to simultaneously examine the three forms of injury in a particular case.
 - xiv) The domestic industry began production in April 2020 and commercialised in October 2022 but has been unable to sell goods and find a place in the market due to dumping. The applicant has provided sufficient information which establishes material injury to the domestic industry. In the alternative, it may be considered that dumping is materially retarding establishment of the domestic industry.
 - xv) It could be argued that the applicant's higher cost and losses are due to lower capacity utilization. However, the applicant has not claimed material injury in respect of profit, cash profit and ROI based on actual production. Instead, injury has been claimed considering optimum level of production. Thus, the possible ill effect of lower capacity utilization has been segregated.
 - xvi) The demand for product increased throughout injury period, particularly in the POI. Indian Industry has sufficient capacity to meet demand in its entirety, rendering imports unnecessary. There is no demand-supply gap.
 - xvii) The volume of subject imports constitutes over 80% of total imports of subject goods in India. There was slight decrease in volume of imports from base year to 2021-22, but thereafter it significantly increased. Imports increased by 75% over injury period.
 - xviii) As regards imports rising with demand, while the demand increased by ***%, subject imports grew by 43%. Previously, imports were the primary source of the subject goods, but during the POI, despite significant domestic capacity and approval from almost all consumers, imports increased significantly.
 - xix) Initially, due to limited supply, demand was substantially met by imports. However, volume of imports was significant even after establishment of sufficient capacities in India.
 - xx) Despite the applicant setting up sufficient capacity, imports continued to increase significantly. After the applicant commercialised operations in October 2022, the volume of imports, rather than declining, increased by 42% in the same period, compared to the previous year, and increased by 35% in the POI.
 - xxi) Despite existing capacities exceeding demand, subject imports are catering to 63% of demand whereas Indian Industry are limited to a meagre ***%.
 - xxii) Price of subject goods from subject countries increased from base year to 2022-23 but significantly declined during POI. There is decline in the price after commercialisation of production by the domestic industry.
 - xxiii) Subject imports are sold marginally below selling price of domestic industry.
 - xxiv) Quarterly analysis shows landed price declined significantly from Q1 to Q2 of 2023-24 and further declined in Q3 with slight increase in Q4, which again declined in Q1 of 2024-25. Subject imports were undercutting the selling price of the applicant in all quarters falling within the POI except Q3 i.e., January'24 – March'24.

- xxv) Price undercutting for China PR is positive, while Singapore is marginally negative. Import volume from China PR is higher. Overall price undercutting from subject countries together is positive.
- xxvi) Price undercutting should be determined considering target prices and prices prevailing at the time of conception.
- xxvii) As regards price undercutting calculations, the application proforma does not require giving such calculations. The same is required to be seen considering the information on landed price of imports and selling price of the domestic industry, both of which are on record. The application in the revised application and written submission provided details of price undercutting.
- xxviii) Imports are entering domestic market below cost of sales of domestic industry. The extent of cost undercutting significantly increased in the POI.
- xxix) Quarterly analysis shows both normatted and actual cost of sales and selling price has declined. Selling price has remained below level of cost of sales throughout injury period leading to constant losses. The landed price of imports has remained below the level of cost of sales leading to price depression in the domestic market.
- xxx) As regards there being no price depression, the applicant's selling price increased over the injury period but remained below target prices or NIP. Production in the base year was minimal, leading to high fixed costs, so comparing the cost in the base year with that in the POI is misleading. Cost comparisons should be made considering production at appropriate levels. Cost and selling price from the previous year to POI declined, but the selling price dropped more than cost. Subject imports were priced below cost, forcing the domestic industry to sell at unprofitable prices, causing price depression in the domestic market.
- xxxii) Price depression is corroborated from the fact that domestic industry could not achieve its target price.
- xxxiii) As regards the applicant lowering prices to gain market share, it's important to note that while costs declined by ***% in the POI, import price dropped by 30%. Subject imports were priced below the domestic industry's price and cost. As a result, it was forced to reduce prices and suffer losses.
- xxxiiii) As regards the decline in selling price being due to scrap sales at lower prices, the selling price in the application pertains only to PUC, which is very insignificant. Thus, there is no significant impact of sale of scrap on the selling price.
- xxxv) As regards the decline in cost in the POI, the same was due to decline in fixed costs per unit of production. Increase in costs from April 2022 - June 2023 is attributed to higher material costs. Fixing product specifications cannot lead to cost increases.
- xxxvi) As regards the fluctuation in interest costs being the reason for fluctuation in cost, the interest rose upto the pre-POI period and declined in the POI. The increase in gross interest cost in pre-POI period was due to investments made to revamp the plant. Decline in per unit interest cost over the injury period has resulted in significant decline in cost of production. However, the domestic industry continued to suffer financial losses.
- xxxvii) Applicant has sufficient capacities, however, due to imports, performance has remained significantly adverse in respect of production, domestic sales and capacity utilisation.

- xxxvii) The applicant commenced production in April 2020 and has, thus, seen an increase in the production and sales, though the same is not in proportion to demand and capacity. Out of whatever little the applicant is able to produce, it is forced to export ***% of such production volume. As against the production of ***MT, the domestic sales was only able to sell ***MT in the domestic market.
- xxxviii) As regards the argument that there is an increase in production despite capacity being constant, the applicant, a new producer, had to increase production. However, despite the increase in production, its capacity remains largely underutilized. Further, production is far below demand and projections.
- xxxix) As regards decrease in production of PUC due to shutdown and focus on NPUC, the production facilities for the PUC are dedicated, and production has increased over the injury period since the domestic industry is new producer.
- xl) While the Applicant had projected a utilisation level of ***% during POI, it was only able to utilise ***% of its capacities. If Applicant could have utilised projected capacity level, it could have catered to the entirety of domestic demand.
- xli) The market share of the domestic industry is abysmally low, despite its capacities, at ***%. If the domestic industry could achieve its projected sales volume, it would have captured ***% of the market.
- xlii) The Applicant began production in 2020 with projected profits in its first year itself but incurred financial losses even in the POI. Per-unit losses have declined but this is due to increased capacity utilization from ***% to ***%. Even on a normatted cost basis, the domestic industry has suffered significant losses, extent of which increased over injury period. Actual cost of production and losses are significantly higher.
- xliii) Although the applicant manufactures various goods, subject goods consider such a significant portion that adverse effect of dumping has negatively impacted company's overall performance.
- xliv) A comparison between the applicant's current performance and its likely performance had there been no dumping shows that the profitability of the company as a whole, which was Rs *** crores in the POI, would have been almost Rs *** crores had there been no dumping.
- xlv) Despite low level of production and increasing demand, the domestic industry's inventory has increased. The applicant is sitting on around three months of inventories. The applicant was forced to undertake multiple shutdowns during the POI, mainly due to (a) a sharp increase in inventory and (b) insufficient storage space for additional production.
- xlvi) The number of employees and wages paid has increased over the injury period. Following the movement of production, productivity per employee has increased.
- xlvii) Growth of the domestic industry has been adversely affected by imports.
- xlviii) The principal factor responsible for the domestic industry's prices is the landed prices of the subject goods. Given the significant demand of the subject goods in the country and significant volume of the product that the domestic industry must sell, the only option with the domestic industry is to align the product prices to the import prices. The consumers have been negotiating the prices with the applicant on the basis of imported product prices.

- xlix) Due to significant dumping of subject goods, the magnitude of dumping is significant.
- l) There are no other factors causing injury to the domestic industry apart from the dumped imports from subject countries.
- li) Demand for the subject goods has increased over the injury period. There is no such material change in the consumption pattern.
- lii) There has been no change in technology for production. The domestic industry has recently set up a plant with the latest technology.
- liii) There are no trade restrictive practices.
- liv) The injury is claimed at optimum capacity utilization, and not attributable to any decline in productivity.
- lv) The injury data provided refers solely to the performance of the product under consideration in the domestic market. Hence, the effect of export performance and the performance of other products has been segregated.
- lvi) As regards capacity remaining stagnant despite further investment, the technical challenges faced in the initial days necessitated revamping. The further investments were made towards changes in equipment and addition of some production equipment to overcome said technical challenges.
- lvii) As regards quality concerns, active steps are taken to maintain quality. Occasional issues with flowability have no impact on end-use performance, with very few instances of product replacement. Growth in sales shows acceptance of, and increasing confidence in the product. Initial quality challenges were due to operational issues but since plant revamp the product has been tested, approved, and accepted by consumers. All complaints are addressed. Sales returns have dropped below ***% of total sales. Other complaints have been resolved without offering discounts. 30% past issues were due to packaging, while ***% concerned product quality. The applicant has addressed these through comprehensive corrective and preventive measures.
- lviii) Even prior to POI, the company's product was approved by several consumers. The fact that the domestic industry faced other challenges before the POI, however, does not break the causal link.

H.3 Examination by the Authority

91. Rule 11 of the Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on the domestic producers of such articles. In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net

sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Rules.

H.3.1 Form of Injury to the Domestic Industry

92. The domestic industry has requested that the present case should be considered as that of material injury to the domestic industry or, in the alternative, material retardation to the establishment of domestic industry. The domestic industry further requested that it may be considered as a new industry that is still in the process of establishing itself and given that it is a recent entrant in the market, injury assessment should additionally take into account parameters relevant to a new and developing industry. However, the other interested parties have argued that there is ambiguity regarding the form of injury and that the domestic industry couldn't have suffered material retardation, as it was already established during the POI. It has also been argued that material injury and material retardation are mutually exclusive. The Authority notes as follows in this regard:
- a) The injury investigation period is generally for the POI selected for dumping margin analysis and three immediately preceding years to the POI.
 - b) The domestic industry is undisputedly a new entrant in the domestic market. It started production in April 2020 i.e., the base year of the injury period considered in the present investigation. However, commercial production was not declared, as product properties and specifications were not established. Efforts to resolve these issues and Covid-19 pandemic related challenges led to a shutdown and additional significant investment. Operations recommenced in April 2022 and commercial production was declared in October 2022.
 - c) While the domestic industry had sold *** MT from April 2020 to September 2022 i.e., during its trial production period, it declared commercial production only in October 2022.
 - d) The production of the subject goods by the domestic industry began more than 3 years before the POI. Hence, the domestic industry has a history of operation since the base year and information is available for the entirety of the injury period. The industry in the present case is therefore an "established" industry. It would not be appropriate to consider the domestic industry as an industry that is in the process of establishing itself and examination of injury in the form of material retardation to its establishment alone would not be appropriate.
 - e) Even though the domestic industry is an "established" industry, as it has three years of existence, it cannot be disputed that the domestic industry is still a new producer. Thus, the present case is that of material injury to the domestic industry in India where the domestic industry is a new producer who commenced production in base year and has been selling in commercial quantities since then, before declaring commercial production in October 2022.
 - f) The domestic industry contended that, in the POI, it has not been able to sell its goods, due to dumped imports and the domestic industry has not been able to find its place in the market even after addressing technical constraints. The domestic industry further

contended that adverse effect of the impact of dumped imports on the domestic industry is further established by an analysis of its actual performance with the projected performance since the domestic industry has commenced production only during the injury period.

H.3.2 Cumulative Assessment of Injury

93. Article 3.3 of the WTO Agreement and para (iii) of the Annexure II of the Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigations, the Authority will cumulatively assess the effect of such imports, in case it determined that:
- a) The margin of dumping established in relation to the imports from each country is more than two percent expressed as a percentage of export price and the volume of the imports from each country is three percent (or more) of the import of the like article or where the export of individual countries is less than three percent, the imports collectively account for more than seven percent of the imports of the like article, and
 - b) Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic article.
94. The Authority notes that:
- a) The subject goods are being dumped into India from the subject countries. The margin of dumping from each of the subject countries is more than *de minimis* limits prescribed under the Rules.
 - b) The volume of imports from each of the subject countries is individually more than 3% of the total volume of imports.
 - c) Cumulative assessment of the effects of import is appropriate as the imports from the subject countries not only directly compete with the like articles offered by each of them but also the like articles offered by the domestic industry in the Indian market.
95. In view of the above, the Authority considers that it is appropriate to assess the effect of dumped imports of the subject goods from China PR and Singapore on the domestic industry.

H.3.3 Volume Effect of Dumped Imports

a) Assessment of Demand/ Apparent Consumption

96. The Authority has defined, for the purpose of the present investigation, demand, or apparent consumption of the subject goods in India as the sum of domestic sales of the domestic industry, domestic sales of the other domestic producers and imports from all sources. The demand for the PUC is as follows:

Particulars	Unit	2020-21	2021-22	Apr'22- Jun'23 (A)	POI
Sales of Domestic Industry	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	160	456	948
Sales of other Indian producers	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	233	78	248
Imports from China PR	MT	5,356	4,547	5,793	8,271
Imports from Singapore	MT	4,428	5,766	4,280	3,321
Imports from Other Countries	MT	2,508	5,323	2,534	3,123
Total Demand/Consumption	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	132	112	148

97. It is seen that the demand for the subject goods has increased over the injury period, and especially in the POI. The product showed significant and positive growth in the country. There has been an increase of 48% in demand for the subject goods over the injury period.

b) Imports in absolute and relative terms

98. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or in relation to production or consumption in India. For the purpose of the injury analysis, the Authority has relied upon the transaction-wise data procured from DG Systems. The import volumes of the subject goods and share of the same during the injury investigation period are as follows:

Particulars	Unit	2020-21	2021-22	Apr'22- Jun'23 (A)	POI
Import Volume					
Imports from China PR	MT	5,356	4,547	5,793	8,275
Imports from Singapore	MT	4,428	5,766	4,280	3,321
Imports from subject countries	MT	9,784	10,313	10,073	11,596
Imports from Other Countries	MT	2,508	5,323	2,534	3,123
Total Imports	MT	12,292	15,636	12,607	14,720
Subject imports in relation to total imports	%	80	66	80	79
Indian production	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	129	212	195
Subject imports in relation to Indian production	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	77	46	58
Subject imports in relation to Indian consumption	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	80	92	80

99. It is seen that:
- a. Imports from the subject countries increased in 2021 – 2022, registered a slight decline in April'22 – June'23 and thereafter increased significantly in the POI.
 - b. Imports from the subject countries together constitute almost 80% of the imports of the product in India.
 - c. While imports in the past were necessary as there was de-facto no production by the other domestic producers for sale in the domestic market, the volume of imports have increased even after the domestic industry has established capacities sufficient to meet the demand in India.
 - d. The Authority observes that it is normal phenomenon that imports decline as a consequence, if the domestic industry commences production from new production capacities. However, in the present case, the volume of imports have rather increased even after the domestic industry commercialised operations.
 - e. Imports in relation to production and consumption in India remained significant over the injury period. It has been argued that imports in relative terms have remained same or fallen. It is noted that while the trend in imports in relation to production shows decline, the same is because of the fact that the domestic industry is a new producer and its production has increased. As regards imports in relation to consumption, the same have remained significant despite the fact that the domestic industry established capacities sufficient enough to cater to the domestic demand.

H.3.4. Price effect of dumped imports on domestic industry

100. With regard to the effect of the dumped imports on prices, it is required to be analysed whether there has been a significant price undercutting by the alleged dumped imports as compared to the price of the like product in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred to a significant degree in normal course.
101. Accordingly, the impact of dumped imports on the prices of the domestic industry has been examined with reference to price undercutting and price suppression/ depression, if any. For the purpose of this analysis, the cost of sales and the selling price of the domestic industry have been compared with the landed price of the subject imports from the subject countries.

c) Price undercutting

102. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, price undercutting has been worked out by comparing the landed price of the subject imports with the net sales realization of the domestic industry during the injury period. Based on a PCN wise comparison, analysis of the import price and prices of the domestic industry shows that the price undercutting is negative.

Particulars	Unit	168	1010	1076	1098	B215	B225	L135	Total
NSR	₹/MT	***	***	***	***	***	***	***	***
Landed Value	₹/MT	2,32,951	2,54,198	2,79,786	6,37,535	2,70,064	3,43,250	3,12,979	2,49,753
a) China PR	₹/MT	2,31,594	2,61,161	2,79,786	6,37,535	2,75,855	2,45,649	2,57,321	2,47,490
b) Singapore	₹/MT	2,53,277	2,48,220	-	-	2,65,825	3,77,139	3,24,903	2,55,388
Price Undercutting	₹/MT	(***)	***	(***)	(***)	(***)	(***)	(***)	(***)
a) China PR	₹/MT	(***)	(***)	(***)	(***)	(***)	(***)	***	(***)
b) Singapore	₹/MT	(***)	***	-	-	(***)	(***)	(***)	(***)
Price Undercutting	%	(***)	***	(***)	(***)	(***)	(***)	(***)	(***)
a) China PR	%	(***)	(***)	(***)	(***)	(***)	(***)	***	(***)
b) Singapore	%	(***)	***	-	-	(***)	(***)	(***)	(***)

103. It has been argued by the other interested parties that net sales realization rose with a slight decline during the POI as a result of the applicant lowering its net sales realization to capture market share. However, it is observed that the domestic industry had to reduce its net sales realization considering the prevailing landed price of dumped imports. The domestic industry contended, being a new producer, in order to sell the material, it had to offer prices slightly lower than imports and had to follow the movement of landed price of imports. The domestic industry also contended that imports were priced even below the cost of the domestic industry in the POI. The Authority observes that the price undercutting could be negative in view of the fact that the domestic industry is selling the subject goods as a new producer in the market.

d) Price Suppression or Depression

104. For the purposes of analysing price suppression/ depression in the domestic market, the domestic industry has provided information about its (a) cost of sales, and (b) domestic selling price, as is given in the table below.

Particulars	Unit	2020-21	2021-22	Apr'22- Jun'23 (A)	POI
Cost of Production	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	86	122	96
Selling Price	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	167	184	142
Landed Value	₹/MT	2,39,682	3,11,461	3,33,004	2,49,864
<i>Trend</i>	<i>Indexed</i>	100	130	139	104

105. It is seen that, in 2021-22, the increase in selling price was higher than the increase in cost. Thereafter, in 2022-23, the increase in selling price was lower than increase in cost. In POI, both costs and selling prices declined.
106. The Authority notes that the domestic industry had very low volume of production in first two year. Therefore, its fixed cost per unit of production were quite high in this period. The Applicant has contended that the fact that its prices are suppressed gets established if its selling price, as projected while setting up the plant are considered (after necessary changes for changes in the cost of raw materials). The domestic industry contended that since projected selling prices were based on raw material prices prevalent in that period and the actual raw material prices prevalent in present POI are materially different, the selling prices expected by the domestic industry from the market should be adjusted for these changes in raw materials. Based on the same, the domestic industry has contended that its prices were significantly suppressed in the POI, as noticed in the table below.

PCN	Actual Selling Price	Projected selling price adjusted for current RM price	Cost of production	Landed Price
	Rs/MT	Rs/MT	Rs/MT	Rs/MT
168	***	***	***	2,32,951
1010	***	***	***	2,54,461
1076	***	***	***	2,79,786
1098	***	***	***	6,37,535
B215	***	***	***	2,70,064
B225	***	***	***	3,43,250
L135	***	***	***	3,12,979

107. It is seen that the domestic industry commenced operation during the injury period itself. Over the period, the domestic industry's per unit conversion costs have declined because of increased production. Despite the increase in selling price, the domestic industry is, however, selling at losses, as its prices are lower than cost of production. In the absence of imports, the domestic industry would have made efforts to sell at profits. However, imports have entered the market at prices below the cost of production of the domestic industry, forcing the industry to lower its prices. The domestic industry has sold at losses over entire injury period. Owing to the dumped imports, the domestic industry has not been able to break even despite four years of operation. Thus, the imports have prevented the domestic industry from increasing its prices to a remunerative level, which otherwise would have occurred.

H.3.5. Consequent Impact on the Economic Parameters of the Domestic Industry

108. Annexure II to the Rules provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and

potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth and the ability to raise capital investments. Accordingly, various injury parameters relating to the domestic industry are discussed herein below.

e) Capacity, Production, Capacity Utilization and Sales

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

Particulars	Unit	2020-21	2021-22	Apr'22- Jun'23 (A)	POI
Capacity	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	102	268	268
Production	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	132	657	1299
Capacity Utilisation	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	140	260	520
Domestic Sales	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	160	456	948
Export Sales	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	9333	68680	262482

110. It is seen that:

- a. As against a domestic demand of ***MT, the production capacities for the subject goods with the domestic industry in the period of investigation was ***MT. There is no demand supply gap in the country.
- b. While the level of capacity utilization by the applicant has increased over the injury period, the same was merely ***% in the POI. If the domestic industry had utilized its capacity optimally, it could have met substantial portion of the domestic demand.
- c. The domestic industry commenced production in April 2020. Hence, its production and sales levels have increased over the injury period. However, both production and sales are materially below the levels that could have been achieved considering the domestic industry's capacity and increase in demand for the product in the market
- d. While the domestic industry was able to sell its product and with an increase in demand was even able to increase its domestic sales over the injury period, the increase in domestic sales was far less than the increase in production.
- e. The domestic industry had a production of ***MT, as against which the domestic sales was only ***MT. The domestic industry was not able to sell the volumes to the extent of production.

111. It has been argued that the installed capacity with the applicant remained stagnant even though it claimed to have made significant investment post takeover. It is noted that the domestic industry made investments to effectively utilize production capacities and address areas that needed improvement e.g., resolving technical constraints and improving product specifications. The investment was not intended towards capacity addition. Thus, the capacity figures have not undergone change.
112. As regards the argument that there has been increase in sales and production by the domestic industry, it is noted that the domestic industry began production in April 2020, leading to a rise in its production and sales. However, the relatively recent commencement of operations by the domestic industry and the low baseline of its initial operations at the injury period substantially diminish the significance of these otherwise positive trends.
113. With respect to the contention that the production decreased in Apr'22 – Jun'23 as the applicant concentrated on production of NPUC and also underwent shutdown from Oct'22 – June'23, it is noted that these factors were present prior to the POI. Furthermore, the domestic industry has specifically attributed injury in the POI to the dumped imports.
114. It has also been argued that the applicant focused on exports and its export sales increased by 262382%. It is however noted that there were negligible exports made by the applicant in the base year. Hence, exports show a steep increase in indexed form.

f) Market Share in Demand

115. The market share of the subject imports and the domestic industry over the injury period was as follows:

Particulars	Unit	2020-21	2021-22	Apr'22- Jun'23 (A)	POI
Domestic industry	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	121	406	640
Other domestic producers	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	177	70	168
Subject Imports	%	74.67	59.81	68.57	59.72
<i>Trend</i>	<i>Indexed</i>	100	80	92	80
Imports from other countries	%	19.14	30.87	17.25	16.09
<i>Trend</i>	<i>Indexed</i>	100	161	90	84

116. The market share of the domestic industry has increased over the injury period. However, the domestic industry barely holds a low share of ***% in the Indian market. The same is substantially lower than the market share that the domestic industry would have achieved in

the absence of dumping. Even when the domestic industry has been able to get some market, the same is still quite low and predominant share is still with the imports from the subject countries.

117. If the domestic industry had not been prevented by the dumped imports from selling its accumulated inventories, it could have achieved a much higher market share in the POI than its current share. Thus, the market share was low even considering low volume of production by the domestic industry.
118. The domestic industry has submitted that had it been able to achieve its projected sales volume, it would have held nearly ***% of the market. It is seen that the domestic industry achieved only ***% market share in the POI, which was achieved at the cost of selling at losses.

g) Profitability, Cash profits, and Return on Capital Employed

119. The profit, profitability, cash profits, and return on investment of the domestic industry over the injury period has been analysed as follows:

Particulars	Unit	2020-21	2021-22	Apr'22- Jun'23 (A)	POI
Profit before tax	Rs. Lacs	(***)	***	(***)	(***)
<i>Trend</i>	<i>Indexed</i>	(100)	60	(111)	(263)
Cash Profit	₹ Lacs	(***)	***	(***)	(***)
<i>Trend</i>	<i>Indexed</i>	(100)	47	(123)	(240)
ROCE	%	(***)	***	(***)	(***)
<i>Trend</i>	<i>Indexed</i>	(100)	100	(100)	(150)

120. It is seen that:

- The domestic industry has been in losses throughout the injury period, barring 2021 – 22.
- The domestic industry has submitted that while losses upto September 2022 may be attributed to technical constraints, the losses from October 2022 onwards i.e., post commercialization of renewed operations after significant capital investments are attributable to dumping.
- The domestic industry was able to sell the present volumes only after a significant compromise on the prices. The domestic industry was selling the product at a price materially below the cost of production and fair price of the product.
- The domestic industry was in losses in the POI. In fact, as compared to the previous year, its cash profits and ROI became further negative in the POI.
- The landed price of imports was below the cost of sales of the domestic industry. The landed price of imports is ***% below the level of cost of sales.
- Despite an increase in demand and sales of the domestic industry, price parameters like profit before tax, cash profits and ROI all were negative in the POI.

121. The other interested parties have argued that the profitability of the domestic industry has improved over the injury period, with prices increasing without a significant rise in costs. However, it is seen from the verified information that the cost and selling price both saw a decline in the POI as compared to the previous year, with decline in selling price more than the decline in cost of sales, thus leading to financial losses in the POI.

h) Inventory

122. The data relating to inventory position of the domestic industry over the injury period and POI is given in the table below:

Particulars	Unit	2020-21	2021-22	Apr'22- Jun'23 (A)	POI
Opening Inventory	MT	-	***	***	***
<i>Trend</i>	<i>Indexed</i>	-	100	939	1101
Closing Inventory	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	49	1101	1612
Average Inventory	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	149	2041	2714

123. The Authority notes that level of inventories with the domestic industry increased throughout the injury period despite an increase in demand in the country. It is seen that the domestic industry held the highest level of inventory in the POI even though the demand was the highest during the same period. Considering the domestic sales volumes, the domestic industry had *** days inventory in stock at the end of the POI, despite significant demand in the Country.

i) Employment, Wages and Productivity

124. The position with regard to employment, wages and productivity of the domestic industry is as follows:

Particulars	Unit	2020-21	2021-22	Apr'22- Jun'23 (A)	POI
No. of employees	Nos.	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	118	174	177
Salaries & Wages	₹ Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	119	166	220
Productivity per Day	MT/Day	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	200	900	1700
Productivity per Employee	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	100	367	733

125. The Authority notes that the number of employees with the domestic industry increased throughout the injury period. With the increase in number of employees, the salaries and wages paid also increased. Further, the productivity has increased in consonance with the movement of production. The Authority notes that improvements in these parameters reflect impact of capacity addition and consequent significant increase in production by the domestic industry.

j) Growth

126. The information with respect to growth of the domestic industry is given below:

Particulars	Unit	2021-22	Apr'22- Jun'23 (A)	POI
Capacity Utilization (%)	%	2	6	13
Production (MT)	%	32	400	98
Sales (MT)	%	60	185	108
Average Inventory (MT)	%	(26)	1,270	33
Productivity (MT/ day)	%	100	350	89
Profit per unit (₹/MT)	%	129	(216)	(10)
PBIT (₹/MT)	%	137	(166)	(14)
Cash Profits (₹/MT)	%	129	(194)	5
Cash Profit in ₹ lacs	%	147	(364)	(94)
ROI	%	4	(4)	(1)

127. It is seen that:

- a. the domestic industry commenced production and sales in the base year of the injury period. Further, the domestic industry spent approximately Rs. *** Crores in the plant, in addition to address technical constraints earlier faced by it. Hence, its volume parameters show positive growth. However, the growth in volume parameters was unduly low, considering the capacity installed and demand for the product in the Country.
- b. the profitability parameters of the domestic industry have faced negative growth. Despite substantial increase in the volume parameters, the growth in price parameters is negative and adverse.

128. It has been argued by the other interested parties that imports have no negative impact on the economic parameters of the domestic industry and that almost all factors show improvement. In this regard it is noted that dumped imports have negatively impacted the domestic industry's growth in respect of price parameters and adversely impacted growth in respect of volume parameters.

129. The domestic industry has stated that the dumping of the subject goods has contributed to the deterioration in the company's overall performance. Had the domestic industry operated in a

scenario without dumping and earned NIP, its overall performance would have been significantly better.

k) Factors affecting domestic prices

130. It is noted that the price of the subject imports is lower than the cost of sales of the subject goods. The domestic industry is a predominant domestic supplier of the product in the market. Imports are however holding majority share in the market. The dumped imports are adversely affecting prices of the domestic industry in the market. Further, the imports are below even the cost of sales and NIP of the domestic industry. This has forced the domestic industry to sell at prices below its cost, resulting in financial losses. The domestic industry is unable to fetch its target prices in India. The dumped imports have prevented the domestic industry from selling at a price even to the level of cost.
131. The domestic industry submitted that consideration of its project report and comparison of its projected performance with its actual performance further establishes injury suffered by the domestic industry. It has been contended by the domestic industry that its actual performance is far below the level that was projected and that the dumped imports have prevented it from achieving its targeted result, thereby causing injury to the domestic industry. The domestic industry further contended its level of capacity utilization is far lower than the projected level of ***% and its market share far below the level that could have been achieved in the absence of dumping. The domestic industry further contended that while it had projected to earn profit, cash profits and positive return on investment in the POI, it suffered losses, cash losses and negative ROI. The Authority has taken note of the same.

l) Magnitude of Dumping and Dumping Margin

132. It is seen that dumping margin from the subject countries is not only more than *de-minimis* but also significant.

H.3.6 Overall Assessment of Injury

133. The examination of the imports of the subject goods and the performance of the domestic industry shows the following:
- a) The domestic industry commenced trial production of the product in April 2020. Operations were commercialised in October 2022. The capacities of the Indian industry are more than demand for the product in the country. While the volume of imports should have declined with commencement of production by the domestic industry, the volume of imports has increased throughout the injury period.
 - b) The landed value of subject imports registered a steep decline in the POI.
 - c) Imports have suppressed the prices of the domestic industry in the POI.

- d) The domestic industry has suffered significant financial losses. PBT, PBIT and cash profits of the domestic industry were negative in the POI. PBT, PBIT and cash losses increased over the injury period. Further, the domestic industry earned negative ROI and the same declined in the POI.
- e) The domestic industry has suffered financial losses throughout the injury period, barring 2021 – 2022.
- f) The imports are affecting the prices of the domestic industry.
- g) The volume parameters of the domestic industry have shown a positive growth. However, the same is due to fresh investments made by the domestic industry. Further, the price parameters not only remained adverse, but also deteriorated.
- h) The level of capacity utilization by the domestic industry was merely ***% in the POI.
- i) Both production and sales are significantly lower than the potential levels, given the domestic industry's capacity and increase in demand for the product.
- j) The market share of the domestic industry was limited to ***%. Meanwhile, imports command the market with a majority market share.
- k) The dumping margin is positive and significant.

134. In view of the above, the Authority concludes that the domestic industry has suffered material injury.

I. NON-ATTRIBUTION ANALYSIS (OTHER FACTORS)

135. The Authority examined whether other factors listed under the anti-dumping Rules could have caused injury to the domestic industry. The Authority examined known factors other than the dumped imports and ascertain whether these are at the same time have been injuring the domestic industry, so that the injury caused by other, if any, is not attributable to the dumped imports. Factors which are relevant in this respect include, *inter alia*, the volume of subject goods not sold at dumped prices, contraction in demand or changes in the pattern of consumption, trade restrictive practices, changes in technology, the export performance of the domestic industry and the productivity of the domestic industry.

a) Volume and prices of imports from third countries

136. It is seen that imports from the subject countries constitute over 80% of the total imports of the subject goods into India. Imports from other countries are either negligible in volume or priced higher. Therefore, imports from other countries are not a cause of material injury suffered by the domestic industry.

b) Contraction in Demand

137. It is seen that, the demand increased throughout the injury period and was the highest during the POI. Hence, the domestic industry has not suffered injury due to possible contraction in demand.

c) Changes in pattern of consumption

138. It is seen that there are no changes in the pattern of consumption for the product under consideration over the injury period that could have caused injury to the domestic industry.

d) Conditions of competition and trade restrictive practices

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

e) Developments in Technology

140. It is seen that there is no change in technology for production of the subject goods. The domestic industry has set up a new plant for the production of the subject goods.

f) Export performance of the domestic industry

141. The injury information examined hereinabove relates, to the extent necessary and appropriate, only to the performance of the domestic industry in terms of its domestic market. Thus, the domestic industry's export performance has not impacted the domestic industry's sales performance.

g) Performance of other products

142. The domestic industry has provided the injury data for the PUC and the same has been adopted by the Authority for the purpose of injury analysis. Performance of other products produced and sold by the domestic industry have not been considered. Therefore, the performance of other products produced and sold is not a possible cause of the injury to the domestic industry.

h) Non-approval of product and product range

143. The other interested parties have argued that the injury to the domestic industry is due to its inability to provide a range and variety of products that meet consumers' expectations. It has also been argued that the domestic industry's product has not secured approval from major customers. The domestic industry has placed on record approval letters received from customers like Indian Oil Corporation Ltd and HPCL Mittal Energy Ltd., both of whom are members of the user association alleging quality issues. It has also been submitted that the domestic industry is improving its product quality and to address the complaints received it has implemented corrective and preventive actions. The domestic industry has submitted that it has enhanced supervisory control in bagging/sealing, increased weighing balance checks, upgraded from 3-ply to 5-ply bags, conducted staff training on packaging protocols, and periodic testing

of shifter mesh sieves, warehouse temperature monitoring, material screening via mesh sieves, installation of vacuum/nitrogen sealing machines, and implementation of loading checklists. The domestic industry has also contended that even when raising concerns about quality, the consumers have used the material. The user industry has not disputed that the applicant failed to address the concerns raised. The domestic industry has submitted that in view of poor yield, quality complaints, higher residue generation, and higher raw material losses, the company made further investment of approx. Rs. *** crores and added facilities or revamped existing facilities on pusher centrifuge for slurry filtration, drying, packing, Metilox distillation, condenser, vapour line elevation, Metilox reaction system, compaction system, secondary filtration and centrifuge washing ML recycle system, etc. The company submitted that this led to production of the product meeting customers' requirements and optimization of inputs and resources. The domestic industry further submitted that it holds ISO 9001:2015, which provides for proper recording of customer's complaints, redressal and record keeping. The company stated that it maintains all relevant documents in this regard.

144. It is noted that the applicant faced certain challenges with the product quality in the initial days of production, as the project encountered operational challenges. The domestic industry underwent a shutdown to revamp the plant. It has been submitted that since the revamp, the domestic industry's product has been tested, approved and accepted by the customers. It was verified during the verification that the domestic industry has a complaint redressal system wherein the details of complaints received are noted and the root cause of the complaint is investigated. Thereafter, corrective actions are taken and a report is prepared and shared with the customer, wherever sought. It is noted that the complaints received in relation to the sales made by the domestic industry have continuously declined. The domestic industry is a new producer, and some operational difficulties at the beginning of production are normal in any product. This does not mean that the domestic industry has not produced and supplied the like article. The domestic industry has sold substantial volumes of the subject goods in both the domestic and the export market. A cumulative volume of ***MT has been sold by the domestic industry over the injury period.

145. The table below shows the quantities sold by the domestic industry to its major customers:

Name of Customers	Sales Volume (MT)			
	2020-21	2021-22	Apr'22- Jun23(A)	POI
ONGC Petro Additions Limited	***	***	***	***
Petrotech Chemica Private Limited Vapi	-	-	-	***
Yasho Industries Limited	-	-	***	***
Reliance Industries Limited	-	-	***	***
Kingfa Science & Technology (India) Ltd	-	-	***	***
Baerlocher India Additives Pvt Ltd.	-	-	***	***
Lubrizol India Pvt.Ltd	-	-	***	***
Supreme Petrochem Ltd	***	***	***	***

Environ Speciality Chemicals Pvt Ltd	-	-	***	***
Mangalore Refinery And Petrochemicals	-	-	-	***
RR Kabel Limited	-	***	***	***
Reagens India Polymer Additives Pvt Ltd	-	-	-	***
Petrotech Products India Pvt Ltd	***	***	***	***
Sterling Auxiliaries P. Ltd.	-	***	***	***
H.B. Fuller India Adhesives Private Ltd.	-	***	***	***
DDEV Plastiks Industries Limited	-	-	***	***
Tirupati Chemical Company	-	***	***	***
Chemvera Specialty Chemicals Pvt Ltd.	***	***	***	***
Galata Chemicals India Pvt Ltd	***	***	***	***
Indian Additives Limited	-	-	-	***
Valtris Specialty Chemicals Ltd	-	-	-	***
Mitsui Prime Advanced Composites India Pvt Ltd	-	***	***	***
Dirco Polymers Pvt Ltd	-	-	-	***

146. The applicant's increase in sales substantiates the acceptance of its product in the market. The Authority examined details of the customer-wise repeated sales submitted by the domestic industry. It is seen that a significant volume of sales was made to various parties over the injury period. Further, it is seen that the domestic industry has received repeat orders from multiple customers, including from the customer whose correspondence with the domestic industry has been submitted by the user association alleging quality issues. Hence, it is seen that despite raising concerns about product quality, the customers have continued to procure and use the goods produced by the domestic industry. Such continued procurement reinforces the credibility of the domestic industry's product and undermines the veracity of the alleged quality issues.

J. CAUSAL LINK BETWEEN DUMPING AND INJURY TO THE DOMESTIC INDUSTRY

147. While other known factors listed under the Rules have not caused injury to the domestic industry, the Authority notes that the following parameters show that injury to the domestic industry has been caused by the dumped imports:
- Even after the domestic industry began production, the volume of imports has not only remained high, but also increased. There was a significant increase in import volumes in absolute terms, especially in the POI. Imports remained significant in relative terms.
 - Imports have increased despite the domestic industry establishing sufficient capacities to meet the demand in the country and the domestic capacities lying unutilized. Imports have led to the gross underutilization of production capacities.
 - Subject imports have a suppressing effect on the prices of the domestic industry and have forced the domestic industry to sell at losses.

- d) With the increase in imports, the performance of the domestic industry further deteriorated in respect of profits, cash profits and ROI.
- e) Since the domestic industry commenced production during the injury period, the capacity, production, sales and capacity utilization increased. However, dumping has prevented optimum utilization of production capacities.
- f) Despite there being an increase in demand and the domestic industry having sufficient capacity to meet the increased demand, the subject imports predominantly hold the market. The market share of the domestic industry was merely 17%.
- g) Inventories with the domestic industry increased as the domestic industry has not been able to increase its sales in proportion to the movement in demand in view of presence of increased volume of dumped imports.

148. The Authority, thus, concludes that there exists a causal relation between the dumping of the subject goods and the material injury to the domestic industry.

K. MAGNITUDE OF INJURY MARGIN

149. The Authority has determined Non-Injurious Price for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The non-injurious price of the product under consideration has been determined by adopting the information/data relating to the cost of production for the period of investigation. The non-injurious price has been considered for comparing the landed price from the subject countries for calculating injury margin. For determining the non-injurious price, the best utilization of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilization of production capacity over the injury period has been considered. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e. average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules.

150. Based on the landed price and the NIP determined as above, the injury margin as determined by the Authority is provided in the table below.

Producer/Exporter	PCNs	Volumes Exported MT	Non-Injurious Price	Landed Price	Injury Margin	Injury Margin %	Injury Margin Range
China PR							
BASF Chemicals Co Ltd. China	A0168	***	***	***	***	***	0-10
	A1076	***	***	***	***	***	10-20
	Total	***	***	***	***	***	0-10
Rianlon Group	A0168	***	***	***	***	***	0-10
	A1010	***	***	***	***	(***)	(10-20)

	A1076	***	***	***	***	***	20-30
	A1098	***	***	***	***	***	(40-50)
	A1135	***	***	***	***	(***)	(0-10)
	BA 1098 and 168 in the ratio 1:2	***	***	***	***	(***)	(40-50)
	BA 1010 and 168 in the ratio 1:2	***	***	***	***	(***)	(0-10)
	BA 1010 and 168 in the ratio 1:1	***	***	***	***	(***)	(0-10)
	Total	***	***	***	***	(***)	(0-10)
Any other			***	***	***	***	25-35
Singapore							
BSEA Singapore	A0168	***	***	***	***	(***)	(0-10)
	A1010	***	***	***	***	***	20-30
	A1135	***	***	***	***	(***)	(0-10)
	BA 1010 and 168 in the ratio 1:1	***	***	***	***	(***)	(25-35)
	BA 1010 and 168 in the ratio 1:2	***	***	***	***	(***)	(0-10)
	Total	***	***	***	***	***	10-20
Any other			***	***	***	***	25-35

L. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

L.1 Views of other interested parties

151. The following submissions have been made by the other interested parties with regards to public interest:

- i) The importer will not be able to switch suppliers in case of imposition of duty. The quality of imported products is premium. Further, the lead time is less.
- ii) There is no alternate source of supply of the PUC which can meet the Indian demand.

- iii) The domestic industry's products are still under evaluation and have not been fully approved due to issues with whiteness index and hydrolytic stability, and problems like lump formation during storage.
- iv) Imports are unavoidable. Out of an approximate demand of ***MT, domestic supply accounts for about ***MT, while the remaining is met through imports. The reliance on imports is driven by supply constraints, superior product quality, and the comprehensive product range offered by international suppliers.
- v) Imposition of anti-dumping duties would disrupt and cause economic hardship to the downstream sector, especially in plastic and petrochemical value chain, including a large number of MSMEs.
- vi) Duty would increase the costs of the user industry. ***% ADD would raise the average product price by ₹***per kg. Given that the downstream producers consume around ***MT of AO annually, this would translate to an additional cost burden of ₹***Crores.
- vii) A significant number of polymer resin processing units rely on the subject goods to enhance product performance. These units collectively consume around *** MT of antioxidants annually, supporting a business volume of approximately 8,00,000 MT with net profit margins of about 12%. Their product is currently sold at Rs. ***/kg, while the average cost of Antioxidants is Rs***/kg. With a ***% ADD, the cost would rise to Rs. ***/kg. At a 1% dosing rate, this would increase the finished product cost by Rs. ***–***/kg. This cost escalation would reduce net profit margins from Rs. ***–***/kg to Rs. ***/kg, adding financial strain to businesses that already operate on tight margins.
- viii) Imposition of duties would not be in public interest, since even in absence of anti-dumping duties the applicant has registered growth. Further, demand supply gap necessitates imports.

L.2 Views of the domestic industry

152. The following submissions have been made by the domestic industry with regards to public interest:

- i) The Applicant, the majority domestic producer of PUC, is facing significant losses solely due to dumped imports, preventing optimal use of its production facilities. Remedy in the form of anti-dumping duty is essential to ensure a level playing.
- ii) VOL is a multi-product company. Losses due to dumped subject imports have severely impacted the company's overall operations. The expected profits from this product could have boosted the company's profits by Rs. ***crores. However, without relief from dumping, the company faces the risk of shutting down production of Antioxidants.
- iii) It is in the interest of consumers to have a market with fairly priced products powered by a domestic industry that can compete with the imports.
- iv) As the dominant producer of the subject goods, the Applicant faces shutdown if dumping continues, leading to job losses and market dominance by foreign exporters. A remedy against dumping is crucial for the Applicant's survival and continued production.

- v) Encouraging domestic manufacturing activities in India is essential to aid its role in becoming a manufacturing powerhouse. Domestic production will further boost investment, employment and the GDP of the country.
- vi) The Applicant has a capacity of ***MT, exceeding the current demand of ***MT, yet imports are flooding the market at dumped prices. In fact, the volumes of imports have increased.
- vii) Even with mere utilisation of ***% of its capacity, the concerned business division of applicant alone directly employs nearly 300 individuals.
- viii) Producers from the subject countries prioritize maximizing revenue and may shift to other markets for better prices. A strong Indian industry ensures long-term market development while protecting consumer interests.
- ix) The Applicant invested Rs. *** crores in a plant with *** MT capacity, with additional funds for optimisation production. Due to dumped imports, the Applicant faces financial losses and risks a shutdown, rendering these investments unproductive and harming domestic manufacturing.
- x) VOL's manufacturing facility is one of the largest in Asia and the largest in India. The technology has been developed through in-house research investment, instead of being imported. It is backward integrated up-to two steps in the antioxidants value chain enabling it to be globally competitive and insulated from any supply chain disruptions. Allowing dumped imports to destroy efforts made by an Indian manufacturing entity, would seriously discourage similar placed players.
- xi) The product under consideration is predominantly used in the downstream industry producing plastics. Some usage is also seen in the rubber and lubricants industry. Subject goods constitute a small part of the cost in these industries and thus the possible impact of duties will also be negligible on these industries.
- xii) Quantification of cost on account of subject goods in the plastic industry would show that such cost is miniscule. The cost component of the subject goods in plastics is merely ***%.
- xiii) The assertion that the imposition of duties would cause economic hardship on MSMEs in the downstream industry is incorrect. The downstream users, including the members of the participating user association, are primarily enterprises in the plastic and petrochemical industry, including PSUs, large private corporations, and multinationals such as GAIL, Indian Oil, Reliance, Haldia Petrochemicals, OPAL, and others. None of these companies are MSMEs. Further, the duties would have only a minimal impact.
- xiv) The price of plastics, on an average, is approximately ₹*** /kg. If subject goods priced at ₹*** /kg, and subject to ***% ADD, the price would rise to ₹*** /kg. Given an dosage of 1000 ppm, the cost impact on plastic production is just ₹*** /kg.
- xv) The user association has estimated that the duty would increase product costs by ₹1.5– ₹3.5/kg, reducing profit margins from ₹15– ₹25/kg to ₹5– ₹15/kg. However, this claim appears exaggerated. It is not understood how such a minor cost increase would result in a such high drop in profit margins.

L.3 Examination by the Authority

153. The Authority notes that the primary objective of anti-dumping duties is to remedy the injury inflicted upon the domestic industry by the unjust trade practices of dumping, thereby fostering an environment of open and equitable competition in the Indian market. This is not merely a regulatory measure, but a matter of national interest. The imposition of anti-dumping measures is not designed to curtail imports from the subject countries arbitrarily. Rather, it is a mechanism to ensure a level playing field. The Authority acknowledges that the persistence of anti-dumping duties may influence the price levels of the product in India. However, it is crucial to note that the essence of fair competition in the Indian market will remain unscathed by the imposition of these measures. Far from diminishing competition, the imposition of anti-dumping measures serves to prevent the accrual of unfair advantages through dumping practices. It safeguards the consumers' access to a broad selection of the subject goods. Thus, antidumping duties are not a hindrance but a facilitator of fair-trade practices.
154. The Authority issued initiation notification inviting views from all the interested parties, including importers, consumers and others. The Authority also prescribed a questionnaire for the users/ consumers to provide relevant information about the present investigation including any possible effects of anti-dumping duty on their operations. Information was sought on, *inter-alia*, interchangeability of the product supplied by various suppliers from different countries, effect of anti-dumping duty on the consumers, etc.
155. At the foremost, it is seen that the domestic industry has an installed capacity of ***MT as against a demand of approximately ***MT. The other interested parties have argued that with growing demand, the applicant's capacity may no longer remain sufficient. However, it is seen that there is no demand supply gap in the country. However, the domestic industry was only able to utilize merely a quarter of such capacity. In any case, demand supply gap does not justify dumping. Even if the demand surpasses domestic capacity, imports can continue to enter the country at fair prices.
156. The Authority notes that the response to the Economic Interest Questionnaire was furnished by the domestic industry, the BASF Group of exporters and, CPMA i.e., the user association. No other interested party has cooperated with the Authority and furnished a response to the Economic Interest Questionnaire.
157. The domestic industry has quantified the cost and the impact of cost on account of the subject goods on the cost of the plastics industry. It is seen that the cost on account of AO in production of plastics is miniscule. Hence, the impact of duties would be negligible.

Particulars	Unit	
Cost of production of plastics	Range (Rs/ Kg)	100 - 200
Average cost of production of plastics	Rs/Kg	150
Dosage of AO in plastic production	PPM	1000

Quantity of AO consumed	Kg	0.001
Price of AO	Rs/MT	***
Price of AO	Rs/Kg	***
Price of AO consumed	Rs	***
Cost component of AO in plastic	%	0-0.1

158. As regards the argument by the other interested parties that an additional financial burden of approximately ₹30–50 crores on the user industry would be added by imposition of duties, the domestic industry has submitted that, on an average, the prices of PP, LDPE, LLDPE, HDPE are hovering between 85 to 90 Rs/kg and a duty of ***% on antioxidants priced at ₹300/kg, with a 1000 ppm dosage, would increase the product price by just 3 paise/kg. Thus, it is seen that the claimed annual burden of ₹30-50 crores equates to a minimal price impact.
159. The user association has further argued that the imposition of duty would increase costs significantly, reducing net profit margins for polymer resin processing units. However, the domestic industry has countered this by noting the inconsistency in the claims stating that it is unclear as to how an alleged price increase of Rs. (1.5-3.5)/ kg would lead to a decrease of Rs. (15-25)/ kg to Rs. (5-15)/ kg. It is seen that the estimated impact on the downstream industries as analysed by the other interested parties is overstated.
160. The subject goods, is not a raw material and is used as stabiliser, remove impurities in the polymer, make them durable and with high wear and tear capacity. The Authority also notes the submissions made by the domestic industry, wherein it has been highlighted that, although integral, the subject goods constitute only a small component in the cost of plastics. Thus, they are not a major cost to the plastics or polymer industry. Further, if the impact is determined on the further downstream product, the impact would be miniscule indeed.
161. The Authority notes that prior to the establishment of the plant by the domestic industry, India was almost entirely dependent on imports of the subject goods. The domestic industry has significantly invested in the plant to manufacture the subject goods and make India self-reliant. The domestic industry has emphasized that if the dumping from the subject countries continues, the domestic industry will have no option but to permanently shut down its operations.
162. The Authority further notes that the imposition of anti-dumping duty will not lead to scarcity of the subject goods in India. It is noted that anti-dumping duty does not restrict imports but ensures that imports are available at fair prices. The imposition of duty would, therefore, not affect the availability of the product. In any case, the capacity of the domestic industry is more than the demand in India, thereby ensuring that there remains sufficient supply in the country.
163. The Authority notes that while the subject imports constitute 79% of the imports into the country, the subject goods are being imported from other countries such as Korea RP. Thus,

consumers have the option to source the subject goods not only from the domestic industry but also from alternative international suppliers.

164. The Authority also notes that significant investment has been made by the domestic industry in this product. Further, the domestic industry has invested in in-house research and developed its own manufacturing technology, in order to set up a plant. However, the domestic industry is suffering significant losses in this product, and the overall performance of the applicant company has been adversely impacted due to injury in its business of the subject goods. The domestic industry is having high losses, which poses threat to the viability of the investments made.
165. As regards duties not being necessary as the domestic industry has witnessed growth, as noted above, the applicant is a new entrant in the market. Hence its performance has shown improvement over the injury period. The improvement in performance does not negate the fact that the subject goods are not being dumped into the country.

M. POST DISCLOSURE COMMENTS

M.1 Views of the other interested parties

166. The following comments were submitted by the other interested parties with regard to the disclosure statement:
- i) Rianlon has apprehended that the users will face significant issues at the time of the custom clearance on account of imposition of duty on only a portion of the value of a product under clause (g). The Authority may outline a detailed and informative guideline for customs authority on the method to implement the imposition of duty. The Authority may outline that values of subject and non-subject antioxidant will be computed based on declared prices of individual components with the ratio of volumes of the said components.
 - ii) The disclosure statement mistakenly states that no direct exports to India were made by Rianlon Corporation. However, there is one chain of direct exports made by Rianlon Corporation to India. The same may be added in the relevant section.
 - iii) The export quantity, export price and landed price submitted by Rianlon in its calculations have not been considered. There is a difference between the claim and the confidential data shared by the Authority. The Authority may either correct the errors or indicate the reasons for such changes.
 - iv) Margin may be determined for AOB2777. Rianlon shared the volume of different constituents of this blend because the instruction regarding sharing of 'values' was unclear as a single invoice value is declared in the commercial invoice without indicating the breakup. The exporters do not have any data of value break up. It was unclear if the Authority wanted the cost of individual constituents.
 - v) Inclusion of the blends (a) to (e) and blends of anti-oxidants with any other products is inconsistent with the practice of the Authority as well as various judicial pronouncements.

- It has been the consistent approach to only include those products in the ambit of the PUC, which are actually manufactured and sold by the applicant in the POI.
- vi) As per the initiation notification, only AOs which use metilox as base raw material are subject to the present investigation. Hence, AOs not using metilox as base raw materials are not subject to the present investigation. However, in the Disclosure Statement reference is made to the General Rules for the Interpretation of the Harmonized System, which states that in the case of mixtures, the classification shall be based on the component that gives the product its essential character. It has been noted that such reference is relied on to highlight the importance of identifying the essential character of a product. It is not clarified in the disclosure statement whether the applicant manufactures AO-168 using 2,4 DTBP or 2,6 DTBP or metilox. Hence, AO-168 may be excluded from the investigation scope as AO168 manufactured using metilox is commercially and technically different from AO-168 manufactured using other raw materials i.e., the essential character is totally different.
 - vii) Authority's practice is to seek information from the other domestic producers and the concerned line Ministries. However, it appears that no such process has been followed. The applicant is bound to face resistance in acquiring market share since the other producers have already been in existence. With an ill-intent of demonstrating injury, the applicant, kept out other producers from the scope of the Domestic Industry. Further, it claimed that HPL's production for export market be ignored, which is not consistent with the law and Authority's practice. Therefore, the Authority may carry out its own analysis and pass a speaking order upfront of this issue.
 - viii) It emerges that both material injury and material retardation are proposed at para 92 of the disclosure statement. However, both are mutually exclusive concepts. Further, no case for material retardation is made out as HPL has been in production since 2009. Material retardation finding is required to be made against establishment of an "industry" and not a particular producer.
 - ix) As per the Trade Notice No. 2/2004, the application is required to contain information for POI and previous three financial years. The applicant has provided information for FY 2020-21, FY 2021-2022, April 2022- June 2023 (15 months), July 2023-June 2024 (9 months). The trade notice has been violated by taking 15 months as the preceding year. Authority does not have the liberty to deviate the prescribed procedure. The present investigation is premised on faulty initiation notification, and may be terminated or the Authority may pass an order either accepting or rejecting our objections.
 - x) Since the data provided by the Applicant in the application is not in terms of the Trade Notice, the respondent is not in a position to offer its comments on the issues of injury and causal link. By making the immediately preceding year a period of 15 months a misleading picture of dumping and injury has been crafted.
 - xi) BASF wrote a letter apprising Authority of the violations of trade notice 10/2018. However, did not receive any communication nor was any direction was issued to the applicant. The Authority has deviated from the Trade Notice by accepting an application which is not in terms of the mandatory preconditions notified to the interested parties for taking on record confidential submissions.
 - xii) Public information such as scheme of amalgamation and NCLT order have been kept confidential without assigning any reason.

- xiii) It appears from the trailing mails of the mails received from the Authority that the applicant has filed various submissions for which no NCV was provided. The communication from Authority stated that there is a need for quarter-wise margins in view of significant difference in the cost and price. However, no information was provided to substantiate such claim.
- xiv) The entire annexures of the updated data were kept by the applicants without providing any meaningful summary of such annexures.
- xv) The applicant is being considered as the producer of subject goods from April 2021 on account of merger. However, in the base year i.e. 2020-2021, the applicant was not a producer. Therefore, the injury information is not correct and cannot be considered.
- xvi) The period from April 2020 till the declaration of commercial production was impacted by product properties & specifications issues as well as Covid-19. Considering 20-21 and 21-22 in the injury period will lead to absurdity.

M.2 Views of the domestic industry

167. The following comments were submitted by the domestic industry with regard to the disclosure statement:

- i) Composition of blends is known and can be easily replicated by physical mixing of components. It does not result in a chemical reaction, and does not produce a new substance. Therefore, no new CAS number is generated for the blend as can also be seen from the technical data sheet (TDS) sheets of the applicant and the respondents.
- ii) Users invariably use a combination of antioxidants and are well aware of the composition of the blend which is declared in the TDS sheet and the certificate of analysis (COA). If any of the blends are excluded it may lead to the importers to switch to importing a blend of the required AOs instead of buying neat AOs separately and using them in a combination.
- iii) The interested parties have referred to a communication with the user which shows rejection of material sold. However, the interested party has provided only partial information due to malafide intentions. It may be noted that the complaint received was redressed and not only was substitute material provided but also the user placed subsequent orders for significant volumes.
- iv) Despite clear instructions by the Authority to identify the value of other components forming part of the blend and provide appropriate evidence to support their claim, the interested parties have not complied. Non-compliance of the instructions by the respondents warrants rejection of response.
- v) The Authority is requested to impose ad valorem form of anti-dumping duty since the product under consideration involves many types of antioxidants and blends that have considerable variances in associated costs and prices. Imposition of average duty on higher priced PCNs will lead to low incidence on some product types and high on others.

M.3 Examination by the Authority

168. The Authority has examined the post disclosure comments made by the interested parties. It is noted that comments which are reiterations and have already been suitably examined and adequately addressed in the relevant paras of the final findings, are not being repeated in the post-disclosure examination by the Authority for the sake of brevity. The issues raised for the first time in the post-disclosure examination by the interested parties and considered relevant by the Authority have been examined as under:

- a) The Authority notes the concern raised by the exporter regarding potential difficulties at the time of customs clearance in cases where anti-dumping duty is applicable only on a portion of the value of a blend under clause (g). It is clarified that the scope of the investigation covers only the subject antioxidants contained in such blends, and the non-subject components remain outside the scope of the present proceedings. Consequently, the duty, if imposed, would be restricted exclusively to the value attributable to the subject antioxidant. For the cases falling under clause (g), the importer will provide relevant information to the satisfaction of the Custom Authorities to ascertain the value of the subject goods. The Authority does not consider that providing relevant information is difficult for the importer and such an assessment is difficult or impractical for the customs authorities. The Authority considers in this regard that injury to the domestic industry cannot be ignored, particularly when permitting imports of an antioxidant with predominant subject antioxidant with minor non subject antioxidant can frustrate the entire purpose for which the ADD is being recommended.
- b) As regards direct exports by Rianlon Corporation, it is noted that Rianlon Corporation of the Rianlon Group is a producer of the subject goods in China PR. It has directly exported to India *** MT of the subject goods produced by itself. It has also exported *** MT of the subject goods through Rianlon Technology (trader). Further, Rianlon Corporation has also exported to India goods purchased from a related producer Rianlon (Zhongwei) New Material Co. Ltd. The channel of trade has duly been noted in the relevant section of this finding.
- c) It has been submitted by the Rianlon Group that there is a discrepancy between the export quantity reported by the exporter and those considered by the Authority. However, the producer/exporter clarified that *'in one of the cases, the invoice numbers differ between RC sales to RT and RT's final exports to India of the imported PUC. This invoice had to be manually mapped. In another set of cases, the manual mapping was necessary because when RC sold imported PUC to RT, the transaction may be recorded under two invoice numbers, whereas when RT exported the same PUC to the Indian customer it was under a single invoice number'*. Accordingly, the response was re-examined. The Rianlon Group exported a total of *** MT of the subject goods to India. Out of this, *** MT of the material had been imported by Rianlon and then exported to India, while the remaining *** MT was material produced by Rianlon and exported to India. Accordingly, the remaining *** MT has been taken into consideration by the Authority as Rianlon's export volume. The same has been

updated in the dumping and injury margin tables above. There is no material change in the overall dumping or injury margins for the Rianlon Group.

- d) As regards the discrepancy between the export price and the landed value claimed by the exporter and those considered by the Authority, it is observed that the difference arises from the manner in which adjustments for ocean freight and insurance have been made. It is noted that Rianlon Technology claimed adjustments on account of ocean freight and insurance at PCN level for exports made on a CIF, CFR, or C&F basis. However, the Authority considered it appropriate to make such adjustments on an overall/average basis.
- e) As regards Rianlon not reporting the value of the non-subject component of the blend B2777, i.e., a blend falling under clause (g) of the PUC definition, on the ground that the instructions regarding reporting of “values” were unclear, the Authority considers that the reasons given by the exporter are insufficient and cannot be accepted. The exporter was free to seek clarification from the Authority on the meaning of “value” and provide information that was available with it and that could reasonably be extracted from its records. The Authority notes that the exporter made several submissions during the course of the investigation, but did not, at any stage, raise any query or seek clarification or considered it necessary to provide relevant information on how the value of the components of the blend could be reported. In any case, considering the low volume of such blends sold by the exporters, the Authority has considered it appropriate to exclude such sales from determining dumping and injury margin.
- f) It has been contended that inclusion of the blends under clauses (f) and (g) of the PUC definition is inconsistent with the established practice of the Authority and various judicial pronouncements, on the ground that only those products which are actually manufactured and sold by the applicant during the POI ought to be included in the ambit of the PUC. At the same time, the domestic industry has submitted that users invariably use a combination/blend of antioxidants, the composition of which is well known and can easily be replicated by physically mixing their constituent components. As already noted, exclusion of blends from the PUC scope would create a clear risk of avoidance of duties, since importers could simply switch to importing blends rather than neat antioxidants separately. Such an outcome would undermine the very objective of the present investigation, as it would render the duties ineffective, failing to provide any meaningful remedy to the domestic industry.
- g) The exporter has reiterated its argument that AO-168 should be excluded from the scope of the PUC as it does not use metilox as the base raw material. It has pointed out that the Disclosure Statement refers to the General Rules for the Interpretation of the Harmonized System, which state that in the case of mixtures, the classification shall be based on the component that gives the product its “essential character”. However, it is not clarified in the disclosure statement whether the applicant manufactures AO-168 using 2,4 DTBP or 2,6 DTBP or metilox. Exclusion of AO-168 has been argued on the ground that initiation notification includes PUC which is produced using metilox as the base raw material and AO168 does not use metilox as the base raw material.

- h) It is noted that the applicant had included AO 168 within the scope of the product under consideration in the application, and this was expressly mentioned in the initiation notification. Further, upon receiving comments of the interested parties on the scope of PUC and PCN methodology, the applicant through its submission clarified that there was a factual error in the application which may be corrected and instead read as “While AO 1010, AO 1076, AO 1098 & L135 use 2,6 DTBP and AO168 uses 2,4 DTBP as raw material, the major differences lie in the additional raw materials specific to each antioxidant type and the distinct process conditions tailored for each antioxidant”. Therefore, it is evident that antioxidants utilize butyl phenols, either 2,4-DTBP or 2,6-DTBP, as key raw materials. Among these, 2,6-DTBP is further processed into an intermediate product called Metilox, which is then used in the final production of antioxidants such as AO 1010, AO 1076, AO 1098, and L135.
- i) The Authority notes that the purpose of seeking comments on PUC/PCN is to allow interested parties, including the domestic industry, to clarify or seek clarification on the scope of the PUC and the PCN methodology that should be considered by the Authority. Based on the submissions made by various interested parties, the Authority further clarified in the *Final PUC/PCN Methodology* notice dated 11th December 2024, where the Authority has amply clarified that the AO 168 is part of the product under consideration. The interested parties cannot contend that the Authority cannot clarify appropriately the scope of the PUC for which the application was filed, for which the data/information has been provided and which shall be considered for eventual imposition of duty.
- j) As already noted in this finding, the interested party has incorrectly understood that raw material is the only parameter based on which the Authority has considered the different product types as one PUC. It is further emphasised that subject antioxidants, regardless of their composition, are primarily employed as additives in plastic formulations, serving a common purpose. The production equipment, the production process and the resultant characteristics are largely the same. All subject antioxidants are closely interlinked in trade and usage. The essential function of the subject antioxidants, including AO168, is to act as stabilizers, preventing degradation of polymers during processing and throughout the product life cycle. While the specific composition and properties of these antioxidants may differ, the fundamental role across these antioxidants remains the same, i.e., to prevent oxidation/ degradation of plastics.
- k) The other parties argued that the Authority should carry out its own analysis on the issue of eligibility of the applicant. As noted earlier, the Authority published the initiation notification in the official Gazette and on the DGTR website, where in the constituents of Indian industry and submission by the applicant on the status of other known producers were highlighted. Further, the applicant has brought on record repeated attempts made by them to approach the other domestic producers (a) prior to initiation (b) after initiation (c) prior to the oral hearing conducted. While the Authority received production information from Krishna Antioxidants Pvt Ltd with its letter in support of the investigation, no information

was received from HPL Additives. It is noted that the domestic industry claimed that HPL Additives primarily produces against export orders and argued that such production meant for export should not be considered for determining the scope of the domestic industry. However, the Authority considered the best information available to it to determine the share of the applicant in the total Indian production considering the “gross production” of the Indian producers including the production by HPL Additives meant for export. Thus, the Indian production and share of the applicant in the Indian production includes production meant for exports by HPL Additives.

- l) As regards the argument that both material injury and material retardation have been proposed to be considered while the two are mutually exclusive concepts, it is noted that the domestic industry is a new producer. However, it has a history of operation since the base year and has information available for the entirety of the injury period. Thus, the Authority has examined material injury to the domestic industry.
- m) The contention that the Applicant’s data is not in conformity with Trade Notice 2/2004, thereby preventing the respondents from offering meaningful comments on injury and causal link, is misplaced. It has been argued that the period prior to POI is a period of 15 months as against a prescribed financial year. Authority notes that para 2(ii) of the said trade notice states as follows:

“Application should invariably contain information and data relating to the proposed period of investigation (POI) and previous three financial years. There should be no gap but there can be overlap between the POI and the previous financial years. The data for previous three years would be utilized for trend analysis for determination of injury.”

- n) It is seen that the years prior to the POI include information for three financial years as mandated by the trade notice. Further, the POI starts from July 2023 and thus excludes the first quarter of financial year 2023-24, i.e., April 23 to June 23, which has been included in the year prior to the POI, having regard to fact that the applicant is a new producer impacted by issues pertaining to product specification and approvals from customers. The applicant had alleged injury solely on account of dumped imports from July 2023 onwards. Further, had the applicant considered 2020-21, 2021-22, 2022-23, Apr'23-Jun'23 as the preceding year it would have resulted in the immediately preceding year to the period of investigation to be of only 3 months and the same would have distorted the entire analysis. If the period Apr'23-Jun'23 had been excluded, it would have resulted in gap over the injury period. Accordingly, the inclusion of April 2023 to June 2023 in the period immediately prior to the POI ensures that there is no gap in the injury period, in line with the stipulation contained in Trade Notice 2/2004, which provides that there should be no gap between the POI and the preceding financial years, though there may be an overlap. There have been several investigations in past which considered 15 months as a period prior to the POI such as the investigation on “Acrylonitrile Butadiene Rubber” from China PR, European Union, Japan

and Russia (F. No. 6/18/2020-DGTR) and “Color coated/ pre-painted flat products of alloy or non-alloy steel” from China PR and European Union, as well.

- o) With respect to the contention regarding the applicant claiming confidentiality over the scheme of amalgamation and NCLT order approving the merger between Vinati Organics Limited and Veeral Additives Private Limited, it is noted that the documents were not a part of the confidential version of the application and hence also not annexed with the non-confidential version. It is also noted that the applicant furnished a copy of the approval order of the NCLT with its confidential and non-confidential version of the written submission filed post oral hearing.
- p) It has been argued that the applicant did not provide any indexed information to substantiate the need for determination of quarter-wise margins due to significant difference in the cost and price. The Authority duly noted the submissions of the interested parties and decided to not accept the request of the domestic industry. It is noted that the data on record does not justify a need for determination of quarter-wise margins.
- q) As regards the applicant not providing a summary of annexures with the updated data, it is seen that the applicant updated the application and annexures for the POI considered by the Authority i.e., a period from June 2023 to July 2024 (12 months), and circulated a non-confidential version of the same adequately providing opportunity to the interested parties to offer meaningful comments based on it.
- r) It has been argued that the injury information cannot be relied upon since the applicant can be considered a producer of the subject goods only after its merger with VAPL in 2021-22, whereas the base year considered is 2020-21. In this regard, it is noted that VAPL had set up the plant and commenced production in the base year. Following the merger, VAPL ceased to have any separate legal existence and hence it is not feasible for it to participate in the present investigation. However, the applicant has been in possession of VAPL’s records from the pre-merger period as well. The applicant is therefore in a position to provide information covering the entire injury period, including the base year.
- s) While the argument that the inclusion of 2020-21 and 2021-22 in the injury period would lead to an absurd result as it was affected by product specification and Covid-19 pandemic related issues has already been addressed by the Authority in this finding, it is noted that the injury period is generally a period including the POI and three years immediately preceding the POI, unless the applicant has been in existence for a shorter duration i.e., in cases of material retardation where the industry itself has been operational for a lesser period. In the present case, production commenced in April 2020. Since sufficient data is available, the Authority has considered inclusion of 3 years prior to the POI within the injury period, as this provides a complete and consistent picture of the industry’s performance and ensures a fair assessment of material injury. Further, the applicant’s performance has been normated to take into account its new establishment.

- t) As regards recommending ad valorem form of duty, it is noted that sufficient grounds have not been established justifying such form of duty. Further, since the scope of PUC includes blends of subject and non-subject antioxidants it is not considered appropriate to recommend ad valorem form of duty.

N. CONCLUSION AND RECOMMENDATION

169. After examining the submissions made by the interested parties and issues raised therein; and considering the facts available on record, the Authority concludes that:

- a) The product under consideration is certain types of Antioxidants conforming to the following CAS number or their equivalent:
- a. 6683-19-8 also known as Antioxidant 1010 and its equivalents. *The chemical name is Pentaerythritol tetrakis(3-(3,5-di-tert-butyl-4-hydroxyphenyl) propionate)*
 - b. 2082-79-3 also known as Antioxidant 1076 and its equivalents. *The chemical name is Octadecyl-3-(3,5-di-tert-butyl-4-hydroxyphenyl)-propionate*
 - c. 31570-04-4 also known as Antioxidant 168 and its equivalents. *The chemical name is Tris(2,4-di-tert butylphenyl) phosphite*
 - d. 23128-74-7 also known as Antioxidant 1098 and its equivalents. *The chemical name is N,N'-hexane-1,6-diylbis(3-(3,5-di-tert-butyl-4-hydroxyphenyl)propionamide)*
 - e. 125643-61-0 also known as Antioxidant L135 or 1135 its equivalents. *The chemical name is Benzenepropanoic acid, 3,5-bis (1,1-dimethylethyl)-4-hydroxy, C7-9-branched alkyl esters*
 - f. Blends of antioxidants referred to in (a) to (e)
 - g. Blends of subject antioxidants referred to at (a) to (e) with any other product if the resultant blend has 50% or more of the subject antioxidant. Only the subject antioxidant of such blend is covered by the scope of this investigation.
- b) The subject goods are imported under customs subheadings 29054290, 29071990, 29072990, 29181990, 29182910, 29182990, 29183090, 29189990, 29202100, 29202910, 29202930, 29202990, 29209000, 29242990, 29309099, 29336990, 38112900, 38119000, 38123910 and 38123990 of the Customs Tariff Act 1975. The customs classification is only indicative and is not binding on the scope of the product under consideration.
- c) The Authority provided opportunity to the interested parties to provide relevant information and thereafter held interactions with the interested parties to decide the scope of PUC and notify appropriate PCN methodology. The Authority notified PCN methodology on the basis of product attributes informed by various interested parties and notified the scope of the PUC and the proposed PCN to the interested parties.
- d) The goods produced by the domestic industry are “like article” to the subject goods being imported from the subject country in terms of Rule 2 (d) of the AD Rules.
- e) The application for initiation of the anti-dumping investigation against the imports of the subject goods from China PR and Singapore was filed by Vinati Organics Ltd. The applicant constituted domestic industry within the meaning of the Rules.

- f) Trial production of the subject goods was initially commenced by Veeral Additives Pvt. Ltd. (VAPL) in April 2020. A merger between VAPL and VOL was implemented retrospectively from April 2021. All activities previously carried out by VAPL are now considered to have been undertaken by VOL. VAPL has ceased to have existence and all its activities and operations were taken over by VOL.
- g) The applicant has been in operation and has produced and sold the subject goods since 2020, i.e., the base year of the injury period. However, the applicant commercialised its production in October 2022.
- h) Apart from the applicant, there are two other producers of the subject goods in India, viz., Krishna Antioxidants Pvt. Ltd. and HPL Additives Ltd.
- i) The total Indian production has been determined considering actual information submitted by Krishna Antioxidants Pvt Ltd and in absence of any communication from HPL Additives Ltd, best information available on its gross production.
- j) Based on information on record, the Authority has determined that the production by the applicant constituted a major proportion of total or gross Indian production without ignoring production of HPL Additives meant for exports. The Authority has therefore determined that the applicant constitutes domestic industry under Rule 2(b) of the Rules and the application met the criteria of standing as per Rule 5(3).
- k) BASF Group and Rianlon Group, from the subject countries, registered themselves in the present investigation and filed response to the prescribed exporter's questionnaire. The Authority has determined dumping margin and injury margin based on the questionnaire response filed by these entities.
- l) Considering the normal value and export price determined, the dumping margin for the subject goods from the subject countries is positive, more than de minimis and significant.
- m) The Authority has considered it is appropriate to cumulatively assess the effect of dumped imports of the subject goods from China PR and Singapore on the domestic industry.
- n) The present case is that of material injury to the domestic industry in India where the domestic industry is a new producer who commenced production in base year and has sufficient data for the entire injury period.
- o) The demand for subject goods has increased over the injury period. There has been an increase of 48% in demand, from the base year to the POI. In comparison to the previous year, the demand in the POI increased by over 35%.
- p) While the imports should have declined with the applicant setting up capacities sufficient enough to meet the demand in the country, imports from the subject country have increased. The increase in the volume of subject imports was significant in the POI despite there being unutilized capacities with the domestic industry. The volume of imports from the subject country constitutes almost 80% of the total volume of imports of the subject goods into the country.
- q) The volume of subject imports in relation to consumption is significant. Considering that the applicant is a new producer, whose volume of production has increased through the injury period with an increase in demand, the volume of imports in relation Indian production has decreased over the injury period. However, imports in relative terms continue to remain significant.

- r) Analysis of import price and prices of the domestic industry show that the price undercutting is negative. The domestic industry, being a new producer, in order to sell the material had to offer prices slightly lower than imports and had to follow the movement of the landed price of imports.
 - s) Despite the increase in selling price, the domestic industry is selling at prices lower than cost of production. The subject imports are priced even below cost of production of domestic industry. The import price of the subject goods has forced the domestic industry to lower its prices. The subject imports have suppressed the prices of the domestic industry.
 - t) As regards the effect of such dumped imports on the economic parameters of the domestic industry, the Authority has reached the following conclusion:
 - a. The capacities with the domestic industry were grossly unutilized.
 - b. The domestic industry commenced production in April 2020. Consequently, the production and sales of the domestic industry witnessed an increase. However, both production and sales are materially below what could have been achieved, considering the demand in the country and capacity with the domestic industry.
 - c. While the market share of the domestic industry in demand has increased over the injury period, subject imports capture majority of the domestic demand. The domestic industry barely holds a low share of *** % in the Indian market. This is despite the domestic industry holding sufficient capacity to meet the entire demand in the country.
 - d. The domestic industry was able to sell the present volumes only after a significant compromise on the prices. Its product was priced at a price materially below the cost of production. Consequently, the domestic industry suffered significant financial losses.
 - e. Despite an increase in demand, the level of inventory with the domestic industry has increased with an increase in the volume of subject imports in the POI.
 - u) The domestic industry has suffered material injury.
 - v) Considering the non-injurious price determined by the Authority and landed price of imports, it is seen that the injury margin is significant.
 - w) Non-attribution analysis shows that no other factor has caused injury to the domestic industry, and it has suffered material injury as a result of the dumped imports.
170. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide positive information on the aspect of dumping, injury causal link. Having initiated and conducted the investigation into dumping, injury and causal link in terms of the provisions laid down under the Anti-Dumping Rules, and considering significant financial losses, cash losses, negative return on investments and gross underutilisation of production capacities, low market share of the domestic industry, the Authority is of the view that imposition of antidumping duty is necessary to offset dumping causing injury. Therefore, Authority considers it necessary and recommends imposition of anti-dumping duty on imports of subject goods from the subject countries.
171. Having regard to the lesser duty rule followed, the Authority recommends imposition of antidumping duty equal to the lesser of the margin of dumping and the margin of injury on

imports of subject goods originating in or exported from the subject countries, so as to remove the injury to the domestic industry. Accordingly, the Authority considers it necessary and recommends imposition of the antidumping duty on the imports of subject goods originating in or exported from the subject countries, for a period of 5 years, from the date of notification to be issued in this regard by the Central Government, equal to the amount mentioned in Column 7 of the duty table appended below.

Duty table

SN	Heading	Description of Goods	Country of Origin	Country of Export	Producer	Amount	UoM	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	29054290, 29071990, 29072990, 29181990, 29182910, 29182990, 29183090, 29189990, 29202100, 29202910, 29202930, 29202990, 29209000, 29242990, 29309099, 29336990, 38112900, 38119000, 38123910 and 38123990*	Certain Antioxidants**	China PR	Any country including China PR	BASF Chemicals Company Limited	280	MT	USD
2	-do-	-do-	China PR	Any country including China PR	Rianlon Corporation, Rianlon (ZhongWei) New Material Co. Ltd, Rianlon (ZhuHai)	NIL	MT	USD

					New Material Co. Ltd.			
3	-do-	-do-	China PR	Any country including China PR	Any, other than S.No. 1 to 2	761	MT	USD
4	-do-	-do-	Any country other than China PR and Singapore	China PR	Any	761	MT	USD
5	-do-	-do-	Singapore	Any country including Singapore	BASF South East Asia Pte Ltd.	562	MT	USD
6	-do-	-do-	Singapore	Any country including Singapore	Any, other than S.No. 5	868	MT	USD
7	-do-	-do-	Any country other than China PR and Singapore	Singapore	Any	868	MT	USD

**Tariff Classification is indicative only.*

***The scope of the product under consideration is certain types of Antioxidants conforming to the following CAS numbers or their equivalent:*

- a) 6683-19-8 also known as Antioxidant 1010 and its equivalents. The chemical name is Pentaerythritol tetrakis(3-(3,5-di-tert-butyl-4-hydroxyphenyl) propionate)
- b) 2082-79-3 also known as Antioxidant 1076 and its equivalents. The chemical name is Octadecyl-3-(3,5-di-tert-butyl-4-hydroxyphenyl)-propionate.
- c) 31570-04-4 also known as Antioxidant 168 and its equivalents. The chemical name is Tris(2,4-di-tert butylphenyl) phosphite.
- d) 23128-74-7 also known as Antioxidant 1098 and its equivalents. The chemical name is N,N'-hexane-1,6-diylbis(3-(3,5-di-tert-butyl-4-hydroxyphenyl-propionamide))
- e) 125643-61-0 also known as Antioxidant L135 or 1135 its equivalents. The chemical name is Benzenepropanoic acid, 3,5-bis (1,1-dimethylethyl)-4-hydroxy, C7-9-branched alkyl esters
- f) Blends of subject antioxidants referred to at (a) to (e)

Non-confidential

- g) Blends of subject antioxidants referred to at (a) to (e) with any other product if the resultant blend has 50% or more of the subject antioxidants. **Only the subject antioxidant of such blend is covered by the scope of this investigation.***

O. FURTHER PROCEDURE

172. An appeal against the determination of the Authority in these final findings shall lie before the Customs Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Customs Tariff Act.



**Siddharth Mahajan
(Designated Authority)**