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**F. No. No. 6/07/2025-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building,
Parliament Street, New Delhi-110001**

Dated: 20th March 2026

**FINAL FINDINGS
CASE NO. AD(OI)-07/2025**

Subject: Anti-dumping investigation concerning imports of “Emulsion Styrene Butadiene Rubber of 1500 series from the European Union, Japan, Republic of Korea (“Korea RP”), Russian Federation (“Russia”) and the Kingdom of Thailand (“Thailand”)

F. No. 6/07/2025-DGTR - Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as “Act”) and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred as the “Anti-Dumping Rules” or “Rules”) thereof;

A. BACKGROUND OF THE CASE

1. The Designated Authority (hereinafter referred to as ‘Authority’) received an application filed by Reliance Industries Limited (hereinafter referred to as the “applicant”) seeking initiation of an anti-dumping investigation concerning imports of “Emulsion Styrene Butadiene Rubber of 1500 series” (hereinafter referred to as “product under consideration” or “PUC” or “subject goods”), from the European Union, Japan, Republic of Korea (“Korea RP”), Russian Federation (“Russia”) and the Kingdom of Thailand (“Thailand”) (hereinafter referred to as the “subject countries”).
2. The Authority, on the basis of sufficient *prima facie* evidence submitted by the domestic industry, issued a public notice vide Notification No. 6/07/2025-DGTR dated 29th March 2025, published in the Gazette of India – Extraordinary, initiating the subject investigation in accordance with the Section 9A of the Act read with Rule 5 of the Rules to determine the existence, degree and effect of the alleged dumping of the subject goods originating in or exported from the subject countries and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

B. PROCEDURE

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

3.1 Initiation

- i. In accordance with Rule 5(5), prior to initiation of the investigation, the Authority notified governments of the subject countries through their embassy in India about the receipt of the present anti-dumping application.
- ii. As noted above, upon examination of the application, the Authority found prima facie evidence of dumping and consequent injury. Therefore, in accordance with Rule 5 of the Rules, the Authority vide Notification F. No. 06/07/2025 – DGTR dated 29th March 2025 (‘Initiation Notification’) initiated the present proceedings.

3.2 Circulation of non-confidential version of the application

- i. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the governments of the subject country, through their embassy in India, in accordance with Rule 6(3) of the Rules. A copy of the non-confidential version of the application was provided to other interested parties, wherever requested.

3.3 Period of Investigation and Injury Investigation Period

- i. As noted in the initiation notification, the period of investigation(‘POI’) was considered as 01st October 2023 - 30th September 2024. The injury period was set to cover the years 2021-22, 2022-23, 2023-24 and the period of investigation.
- ii. A request was made to the DG system to procure the transaction-wise import data of the subject goods for the injury period. The data was received and the same has been relied upon for the necessary analysis.

3.4 Participation by Exporters from subject countries.

- i. In accordance with Rule 6(2), the Authority informed interested parties of the initiation of the investigation by sharing a copy of the initiation notification with the embassies of the subject countries in India, known producers and exporters of the product under consideration in the subject countries, known importers of the subject goods in India and other interested parties, as per the information made available in the application.
- ii. In accordance with Rule 6(4), the Authority issued questionnaires to the following producers and exporters to seek information regarding the normal value and net export price for the investigation.

SN	Names of producers/exporters in the subject countries
1	Ravago Distribution Center NV, European Union.
2	Synthos, European Union.
3	Versalis Singapore PTE Ltd, European Union.

4	Katyon Technologies Limited, European Union.
5	JTC Corporation, Japan
6	Itochu Corporation, Japan
7	Zeon Asia PTE Ltd, Japan.
8	Kumho Petrochemical Co. Ltd, Korea
9	LG Chem Ltd., Korea
10	Wonchem, Ltd. Korea
11	Hansuk Chemicals Co Ltd, Korea
12	Everlite Korea Co Ltd, Korea
13	Heartychem Corp, Korea
14	Kartli Turkey Plastik Kimya Ticaret, Russia
15	Omsky Kauchuk, Russia
16	Nizhnekamskneftekhim (NKNK), Russia
17	Bangkok Synthetics Co. Ltd, Thailand
18	JSR BST Elastomer Co. Ltd. Thailand

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

SN	Name of producers/exporters in the subject country
1	Kumho Petrochemical Co., Ltd, Korea
2	Posco International Corporation, Korea (exporter for Kumho)
3	Posco International Italia S.R.L, Europe (exporter for Kumho)
4	Sterlitamak Petrochemical Plant JSC, Russia
5	BST Elastomers Co. Ltd, Thailand
6	EXPOL DIŞ TİCARET LİMİTED ŞİRKETİ, Turkey
7	BONEX – FZCO, Russia.

3.5 Participation by Importers/Users

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

SN	Names of users/importers in India
1	Agarwal Rubber (ARL Tyres)
2	Apollo Tyres Limited
3	ATC Tires Private Limited

4	Balakrishna Industries Limited
5	Birla Tyre
6	CEAT Limited
7	Exel Rubber Limited
8	Forech India Limited
9	Garware Fulflex India Private Limited
10	Goodyear India Limited
11	Hindustan Rubber Industries
12	JK Tyre & Industries Limited
13	Metro Tyres Limited
14	Midas Rubber (P) Limited
15	MRF Limited
16	Oriental Rubber Industries
17	Paragon Polymer Product Private Limited
18	Phoenix Conveyor Belt India Private Limited
19	Poddar Tyres Limited
20	Ralson (India) Limited
21	Sempertrans India Private Limited
22	Tega Industries Limited

- ii. In response to the above notification, the following importers and users have registered in the present investigation and have made submissions:

SN	Names of users/importers in India
1	Apollo Tyres Limited
2	CEAT Limited
3	JK Tyres & Industries Limited
4	JMF Performance Materials Pvt Ltd
5	MRF Limited
6	Rishiroop Limited
7	Rishiroop Polymers Pvt. Ltd.

- iii. The Authority issued an Economic Interest Questionnaire (EIQ) to assess public interest and the impact of the duties on the wider economy. A copy of the EIQ was sent to the embassy of each subject country, all the known exporters, importers and users and the domestic industry. The EIQ was also shared with the administrative line ministry. Economic interest questionnaire was filed by the domestic industry, Kumho Petrochemical Co Ltd, Posco International Italy S.R.L, Posco International Corporation, Apollo Tyres Ltd, CEAT Limited, JK Tyres & Industries Limited and MRF Limited.

- iv. Submission has also been made by the Automotive Tyres Manufacturer's Association (ATMA) and All India Rubber Industries Association (AIRIA) these have been considered in the present final findings.

3.6 Further Procedure

- i. A list of all interested parties that registered themselves within the prescribed timeline was uploaded on the website. All registered interested parties were directed to circulate the non-confidential version of all their submissions in the present proceedings to all other interested parties.
- ii. The interested parties were granted an opportunity to present comments on the scope of the product under consideration and propose PCNs, if required, within 15 days from the date of the initiation. Apart from the domestic industry, no comments were made by any other interested parties regarding the scope of the PUC or proposal for PCNs. Based on submissions, the Authority clarified and notified the PCN on 23rd April 2025.
- iii. In accordance with Rule 6(6), the Authority provided an opportunity to the interested parties to present their views orally in a hearing held on 20th August 2025. The parties presenting their views in the oral hearing were directed to make written submissions of the views expressed orally, followed by rejoinder submissions.
- iv. Due to the change of the Designated Authority, a fresh oral hearing was held on 23rd December 2025, wherein all interested parties were provided the opportunity to present their views. The parties presenting their views in the oral hearing were directed to make written submissions of the views expressed orally, followed by rejoinder submissions.
- v. In accordance with Rule 6(8), wherever an interested party has refused access to or has otherwise not provided necessary information in a timely manner during the course of the present proceedings, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the findings on the basis of the facts available.
- vi. In accordance with Rule 7, information provided by the interested parties on a confidential basis was examined by the Authority with regard to the sufficiency of the confidentiality claimed. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on a confidential basis were directed to provide a non-confidential summary of the information filed on a confidential basis.
- vii. In accordance with Rule 8, the Authority conducted verification of the data provided by the domestic industry and other interested parties to the extent considered necessary for the present proceedings. The Authority has considered the verified data of the interested parties in its analysis in the present case.
- viii. The Authority calculated the non-injurious price (NIP) for the product under consideration so as to ascertain whether duties lower than the dumping margin would be sufficient to remedy the injury being suffered by the domestic industry.

- The NIP has been calculated based on the optimum cost of production and cost to produce & sell the domestic like article in India, based on the information furnished by the domestic industry and having regard to the Generally Accepted Accounting Principles (GAAP) and as per the principles laid down in Annexure III of the Rules.
- ix. The Authority examined the issues raised, information provided, and submissions made by the interested parties during the course of the proceedings, to the extent they were supported by evidence and considered relevant to the present purposes, in making these final findings.
 - x. *** represents information furnished by a party on a confidential basis and so considered by the Authority under the Rules.
 - xi. The exchange rate adopted by the Authority for the present investigation is 1\$ = Rs 84.27.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE.

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

“3. The product under consideration is Emulsion Styrene Butadiene Rubber of 1500 series, abbreviated as ESBR – 1500.

C.1 Submissions made by interested parties.

5. The interested parties have not made any submissions with respect to the product under consideration or like article.

C.2 Submissions made by the domestic industry.

6. The domestic industry has made the following submissions with respect to the product under consideration and like article:
 - i. The application has been filed for Emulsion Styrene Butadiene Rubber of 1500 series, abbreviated as ESBR-1500.
 - ii. The product produced by the domestic industry and the imports from the subject countries are comparable in all technical and commercial aspects and are used interchangeably by consumers.
 - iii. There is no justification for considering PCN in the present investigation since the scope of the product under consideration contains only one series.

C.3 Examination by the Authority

7. The Authority provided an opportunity to all the interested parties to submit their comments, if any, with respect to the scope of the product under consideration or the need for PCNs within 15 days from the circulation of the intimation of the initiation of the investigation. None of the interested parties furnished any comments, either regarding the scope of the product under consideration or the requirement for PCNs. Accordingly, vide

notice dated 23rd April 2025, for the purpose of filing response, it was clarified that the scope of the product was the same as defined in the initiation and that there was no requirement of PCN.

8. Subsequent to the notice, none of the interested parties filed comments on the scope of the product under consideration.
9. Therefore, the scope of the product under consideration is concluded as below: -

“The product under consideration is Emulsion Styrene Butadiene Rubber of 1500 series, abbreviated as ESBR – 1500.

a. About the product under consideration.

10. The product under consideration is Emulsion Styrene Butadiene Rubber of 1500 series, abbreviated as ESBR-1500. In comparison to natural rubber, ESBR has better process ability, homogeneity, heat aging and abrasion resistance. However, it is inferior in terms of elongation, hot tear strength, hysteresis, reliance and tensile strength.
11. A number of grades of SBR are produced, which are characterized by the level of copolymer (% of styrene), emulsifier type, nominal molecular viscosity, coagulation, specific gravity and product stain. They are segregated into series 1000, 1500, 1600, 1700, 1800 and 1900. The present investigation is for the ESBR 1500 series only.
12. The subject goods are mainly used to manufacture tyres since it has good abrasion resistance and good ageing stability when protected by additives. It is also used in conveyor belts, shoe soles, v-belts, moulded rubber goods, etc.
13. Compared to natural rubber, SBR has better processability, homogeneity, heat ageing, and abrasion resistance, but is inferior in terms of elongation, hot tear strength, hysteresis, resilience and tensile strength. The major demand of SBR is in the automotive sector for the manufacture of tyres. These materials have good abrasion resistance and good ageing stability when protected by additives.

b. Manufacturing process of the product under consideration

14. The major raw materials used in the production of SBR are Styrene and Butadiene, Other raw materials include Water, Emulsifier Dodecyl mercaptan, Cumene hydroperoxide, FeSo₄, EDTA, Na₄P₇10H₂O, Potassium persulfate, SFS and Stabilizer.
15. A typical recipe includes monomers (styrene and butadiene), water, emulsifier, initiator system, modifier, shortstop and a stabiliser system. The original polymerisation reactions are charged in batch reactors in which all the ingredients are loaded into the reactor, and the reactions are short stopped after it reaches the desired conversion. Current commercial

productions are made to run continuously by feeding reactants and polymerizing through a chain of reactors short stopping at the desired monomer conversion.

c. Customs classification for the product under consideration

16. The product under consideration is classified under the Chapter 40 - Rubber and Articles Thereof heading 4002 19 of Schedule I to the Customs Tariff Act, 1975. The customs classification is only indicative and is not binding on the scope of the product under consideration.
17. The product under consideration attracts a basic customs duty of 10% under Schedule I of the Customs Tariff Act. The imports of the product under consideration enjoy a concession under the following Free Trade Agreement and are subject to nil duty.
 - i. India-ASEAN Comprehensive Economic Cooperation Agreement (IACECA).
 - ii. India-Korea Comprehensive Economic Partnership Agreement
 - iii. Japan-India Comprehensive Economic Partnership Agreement
18. The prescribed unit of measurement for the product under consideration is metric tons (MT), and the same has been adopted for this investigation.

d. Like article produced by the domestic industry.

19. None of the interested parties have made any submissions on the like article. The product under consideration, produced by the domestic industry and imported from the subject country, is comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable, and consumers can use them interchangeably.
20. It is concluded that the goods produced by the domestic industry are like articles to the product under consideration imported from the subject countries.

D. SCOPE OF DOMESTIC INDUSTRY AND STANDING

D.1 Submissions made by other interested parties

21. The other interested parties have made the following submissions with regard to the scope of the domestic industry and its standing:
 - i. Reliance Industries Limited and PJSC Sibur Holding are related, and therefore, the applicant does not satisfy the requirement of Rule 2(b).
 - ii. Indian Synthetic Rubber Private Limited participated in the previous investigations of subject goods but is absent from the present investigation.
 - iii. ISRPL's support letter has not been shared, and the absence of a support letter and accompanying data constitutes a material deficiency in the standing of the petition.

- iv. ISRPL should submit its operational and financial data in the prescribed formats, as mandated by the Trade Notices No. 13/2018 and 14/2018.
- v. In the anti-dumping investigation concerning imports of seamless tubes, pipes & hollow profiles of iron, alloy or non-alloy steel from China PR, the Authority did not recommend continuation of anti-dumping duty when the major producer in India did not participate in the investigation and only acted as a supporter.
- vi. ISRPL has more than 50% share in total domestic production. No assessment of material injury to the domestic industry can be made if the biggest producer in India is not participating in the investigation.

D.2 Submissions made by the Applicant.

- 22. The Applicant has made the following submissions with respect to the domestic industry and standing:
 - i. There are only two producers of the subject goods in India - Reliance Industries Limited and Indian Synthetic Rubber Private Limited (ISRPL).
 - ii. The production of the Applicant accounts for a major proportion of the domestic production of the like article in India, that is, accounting for more than 25% in the total Indian production.
 - iii. ISRPL has supported the application and provided the support letter.
 - iv. With the inclusion of the supporter, the Applicant and the ISRPL account for the entire production in India.
 - v. There is no relationship or joint venture between Reliance Industries Limited and PJSC SIBUR Holding. The relationship is with SIBUR Investments AG, which is neither located in the subject countries nor a producer of the product under consideration.
 - vi. Reliance Industries Limited does not recognise PJSC Sibur Holding as a related entity in its books and accounts.
 - vii. RIL and Sibur are not related within the meaning of Rule 2(b).
 - viii. In the anti-dumping investigation concerning imports of Isobutylene-Isoprene Rubber (IIR), Reliance Sibur Elastomers Private Limited had filed an application where the subject country included Russia and SIBUR Holding had a stake in PJSC Nizhnekamskneftekhim, a producer of the product under consideration in Russia. In that investigation, the Authority considered Reliance Sibur Elastomers Private Limited as an eligible producer in terms of Rule 2(b). When Reliance Sibur Elastomers Private Limited was considered as an eligible producer, there is no reason not to consider Reliance Industries Limited as an eligible producer under Rule 2(b).
 - ix. Applicant has neither imported the product from the subject countries nor is it related to any producers/ exporters from the subject countries or an importer in India.

D.3 Examination by the Authority

23. Rule 2(b) of the Anti-Dumping Rules defines domestic industry as follows:

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

24. The application has been filed by Reliance Industries Limited and is supported by Indian Synthetic Rubber Private Limited. The table below shows the production of the applicant and the other domestic producer.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Reliance Industries Limited	MT	***	***	***	***
2	Indian Synthetic Rubber Private Limited	MT	***	***	***	***
3	Total	MT	***	***	***	***
Share in production-%						
I	Reliance Industries Limited	%	***	***	***	***
2	Indian Synthetic Rubber Private Limited	%	***	***	***	***

25. Indian Synthetic Rubber Private Limited (ISRPL) has supported imposition of the duty. A copy of the support letter from ISRPL was also shared by the domestic industry with the other interested parties.

26. Interested parties have claimed that the applicant does not satisfy the requirement of domestic industry in terms of Rule 2(b) as the producer is related to PJSC SIBUR Holding, a producer of the product under consideration in Russia. The applicant has, however, disputed the relationship and submitted that the relationship is with SIBUR Investments AG, which is neither located in the subject countries nor the producer of the product under consideration. The applicant has denied a relationship or existence of control over PJSC SIBUR Holding, whether directly or indirectly or through a third person.

27. The Authority has examined the import data from Russia for the injury period. It is noted that during this period, there are no exports of subject goods from PJSC SIBUR Holding

from Russia. Rule 2(b) prescribes that the domestic industry should not be related to the exporters or importers of the subject goods or themselves import the subject goods. In the present case, the alleged related entity has not exported the subject goods in India. In view of the foregoing, the applicant is treated as a domestic industry within the meaning of Rule 2(b) of the Rules.

28. The other interested parties have claimed that the major producer, Indian Synthetic Rubber Private Limited, has not participated in the present investigation. These interested parties have drawn reference to the anti-dumping investigation concerning imports of seamless tubes, pipes & hollow profiles of iron, alloy or non-alloy steel from China PR and submitted that in the past, the Authority has not recommended the duty in cases where a major producer only acted as a supporter. It is seen that the facts of the present investigation are different from the facts of the case relied upon by the other interested parties. In the anti-dumping investigation concerning imports of seamless tubes, pipes & hollow profiles of iron, alloy or non-alloy steel from China PR, the Authority found that M/s Maharashtra Seamless Ltd, the major producer of the subject goods in the country and supporter of the subject application had provided some limited and partial information including costing data. The Authority found that analysis of limited and partial data submitted by M/s Maharashtra Seamless Ltd did not show any injury from the alleged dumped imports of the subject goods from the subject country. In the present case, no evidence has been made available by any interested party that ISRPL is not suffering injury. The financial results of ISRPL are not limited to product under consideration alone, and includes other major product.
29. In the present case, the production of the applicant accounts for a major proportion in the domestic production of the like article in India. With the support of the other Indian producer, the share of the two companies accounts for the total Indian production.
30. The applicant stated that it has not imported the subject goods from the subject countries. DG System transaction-wise data has been examined. It is seen that the applicant has not imported the product under consideration. None of the interested parties have disputed the claim of the applicant in this regard.
31. Having regard to information and evidence on record, the Authority holds that the applicant constitutes domestic industry as defined under Rule 2(b) of the Rules and the application satisfies the requirement of standing in terms of Rule 5(3) of the Rules.

E. CONFIDENTIALITY AND MISCELLANEOUS SUBMISSIONS.

E.1 Submissions made by other interested parties.

32. The other interested parties have made the following submissions with regard to confidentiality:

- i. The domestic industry has failed to meet the requirements under the Trade Notice 10/2018.
- ii. The domestic industry has claimed excessive confidentiality in the manufacturing process and figures related to R&D Expenses, Funds Raised, and Cost of Sales-Export.
- iii. The domestic industry has also claimed production process and raw materials as confidential in the application.
- iv. On the comments filed by the domestic industry that JMF Performance Materials Pvt. Ltd has claimed excessive confidentiality; the respondent is an importer of the subject goods, not a producer or exporter. The obligations related to disclosure of production processes, related parties involved in production, and raw material sourcing, are not applicable to the importer.
- v. The domestic industry has not brought about any substantive evidence to prove the condition for initiation of the investigation, while the investigating authority has not carried out appropriate and enough scrutiny of the related facts.
- vi. Import data sourced from secondary sources is unreliable and not authentic.
- vii. The domestic industry has enjoyed prolonged and repeated protection from import competition for more than two decades.
- viii. The Ministry of Finance rejected imposition of duties on product under consideration in past.

E.2 Submissions made by the domestic industry

33. The domestic industry has made the following with regard to confidentiality:
 - i. The list of adjustments claimed in the normal value and export price calculation has been marked as confidential.
 - ii. Answers to certain questions have been claimed to be completely confidential, including a list of products produced, related parties involved in the production and sale of the product under consideration, financial accounting system and channel of distribution, without a non-confidential summary or reasoning.
 - iii. The applicant had submitted the share of the domestic industry and other Indian producers in the total Indian production in the range and thereafter provided the details in trend.
 - iv. The non-confidential version demanded by the party concerns information that is not even part of the confidential version of the application.
 - v. On the submission that the import data submitted by the domestic industry is unreliable, DGTR routinely calls information from DG Systems or DGCI&S and adopts the same for determination.
 - vi. On the submission that the domestic industry is a habitual user of trade remedial measures, other interested parties have highlighted 6 instances to show that the domestic industry is a habitual user, and during 3 investigations, the domestic industry was not even producing the product under consideration.
 - vii. There is no restriction on the number of times the domestic industry can seek redressal against unfair imports

- viii. On the submission that measures were not imposed in the previous investigation on the imports of the product under consideration, the fact that recommendations of the Authority to continue and impose measures were not accepted by the Ministry of Finance does not conclude that the domestic industry did not require further protection in the form of anti-dumping duties.

E.3 Examination by the Authority

34. The Authority made available a non-confidential version of the information provided by various interested parties to all interested parties as per the Rules.

“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule(2) of rule 12, sub-rule(4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.

(2) The designated authority may require the parties providing information on a confidential basis to furnish a non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible to summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.”

35. The submissions made by the domestic industry and the participating exporters concerning confidentiality, to the extent considered relevant, were examined by the Authority and addressed accordingly. It is seen that the domestic industry and interested parties have claimed confidentiality on various information, such as, production, capacity, capacity utilization, sales volumes, market share, stocks, selling price, costs, profits, cash profits, return on investment, non-injurious price, cost of production related information, normal value, export price, dumping margin, injury margin, price adjustments, profit related information, sales channels, sales & purchase documents, customers and suppliers names, etc. It is also seen that wherever information is for the injury period, the same has been provided on an indexed basis. Information such as normal value, non-injurious price and price undercutting has been disclosed in the range.

36. The interested parties have claimed confidentiality on various supporting documents & information, wherever such information has not been publicly disclosed by them. In those cases where an interested party has not publicly disclosed its annual reports and financial statements, the same has been claimed confidential. Wherever the interested parties have claimed a document as confidential, it is noted that these interested parties have claimed that these documents are not susceptible to summary.
37. The Authority has consistently allowed interested parties to claim confidentiality on such information and documents provided by domestic industries, foreign producers and other interested parties in various investigations. The Authority notes that all the interested parties have claimed their business-related sensitive information as confidential. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered confidential and not disclosed to the other interested parties.
38. With regards to the submissions made by the other interested parties that the domestic industry is a habitual user, the Authority considers that the recommendations for imposition of anti-dumping duty are made only after investigation and when the requisite legal requirements are met. There is no bar under the law on the number of times domestic industry can seek redressal from unfair trade practices of the foreign producers/exporters. In an anti-dumping investigation, the primary mandate is to assess whether remedial measures are required in light of dumped imports and consequent injury to the domestic industry. The anti-dumping duty can be imposed for a period as long as necessary to counteract dumping and injury.
39. With regards to the submissions made by the other interested parties that the domestic industry has relied on unreliable import data, it is clarified that the Authority has relied on the transaction wise customs data for the purpose of initiation of the investigation and present determination. The interested parties have also not established any material difference in the volume and price of imports reported in the application. Further, the Authority did not find material difference in the volume and price of imports reported in the application and quantified by the Authority at the stage of initiation.
40. With regards to the submissions made by the other interested parties that the domestic industry has not brought any substantive evidence to justify initiation of the present investigation and the Authority has not carried out appropriate scrutiny of facts, it is considered that the domestic industry had provided sufficient information to justify initiation and the investigation was initiated by the Authority after satisfying that there was sufficient prima-facie evidence to justify initiation. In fact, the investigation has established that the dumping margin in respect of each of the responding exporters and each of the subject countries is more than de-minimus.

F. NORMAL VALUE, EXPORT PRICE AND DETERMINATION OF DUMPING MARGIN

F.1 Submissions made by other interested parties.

41. The other interested parties have made the following submissions concerning normal value, export price and dumping margin:
 - i. The Authority should determine the dumping and injury margin on monthly basis.
 - ii. KPC has always cooperated with the Authority to the fullest extent in all previous investigations. Cost and sales data submitted by KPC, subject to certain adjustments, have been accepted by the Authority and margins determined based on its data. This shows that KPC's data is reliable.
 - iii. If financial expenses (e.g., interest on borrowings) are included in SG&A and thus in the cost of production, then financial income, interest income from short-term operational funds, must also be deducted to ensure symmetry and fairness. Failing to deduct such income results in an asymmetrical treatment, artificially inflating cost of production and distorting the dumping margin
 - iv. KPC purchased butadiene from unrelated third-party suppliers at market prices.
 - v. Kumho is the sole E-SBR producer in Korea RP and its dependence on exports has significantly decreased compared to the past.
 - vi. All butadiene used for the production of the product under consideration is sourced from unrelated third- party suppliers,
 - vii. A small quantity of total Butadiene is derived from reprocessed butadiene (R-BD), which is recovered as a by-product from the production process at the Ulsan Synthetic Rubber Plant.
 - viii. The valuation of butadiene in Kumho's cost of production reflects actual purchase prices and reasonable reprocessing costs
 - ix. The utility rates paid by Kumho to Hanju are identical to those paid by unrelated parties and reflect the standard tariff system applied uniformly to all users.
 - x. Kumho has provided full details, supporting documents, and valuation linkages to demonstrate that both purchased steam and captive steam from by-products have been correctly valued and included in the cost of production.
 - xi. With regard to the submission that financial income cannot be adjusted from cost of production, Kumho respectfully submits that failing to deduct such income results in an asymmetrical treatment, artificially inflating cost of production and distorting the dumping margin. This approach is supported by international accounting standards (e.g., IFRS), which permit netting of financial income and expenses, and by the practice of major investigating authorities such as USDOC, which have recognized the deduction of short-term interest income when properly substantiated.
 - xii. Difference in purchase price of raw material of domestic industry with actual purchase price of raw material of Kumho does not mean that purchase price of raw material is unreliable.

F.2 Submissions made by the domestic industry.

42. The domestic industry has made the following submissions concerning normal value, export price and dumping margin:
- i. The normal value for European Union is based on the prices prevailing in the domestic market and can be determined based on cost of production in European Union.
 - ii. The domestic industry was unable to get information on the prevailing prices or the export/imports prices of the product under consideration into the subject countries since the product does not have a dedicated code.
 - iii. The applicant has determined the normal value based on cost of production in the exporting countries, based on the available information
 - iv. There is no consistent pattern on increase and reduction in price even within a quarter. It would not be appropriate to undertake quarterly or annual weighted average analysis for the period of investigation.
 - v. The Authority should compare the reported butadiene consumption price and consumption factor of the other participating producers and the domestic industry with the average butadiene consumption price and consumption factor recorded by KPC.
 - vi. The Authority should undertake a comparative analysis of the power consumption factor for KPC's operations against those of the domestic industry and other participating producers since it produces power from wholly owned company.
 - vii. Since the production process of the domestic industry and foreign producers is comparable, the Authority should make comparison of costs.
 - viii. If KPC has reported negative interest income as a cost adjustment, the Authority should disregard it since interest income from non-product under consideration related operations cannot be adjusted from the cost of production of the product under consideration.
 - ix. The Authority should examine the valuation method and the appropriateness of the internal transfer prices at which steam is allocated to the production process of subject goods by KPC since it is generating the same as a by-product from other products.

F.3 Examination by the Authority.

43. Section 9A(1)(c) defines normal value in relation to an article as:

(c) "normal value", in relation to an article, means -
(i) the comparable price, in the ordinary course of trade, for the like article when [destined 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 to] 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.

44. The response to exporters questionnaire has been filed by the following producers/exporters:
- i. Kumho Petrochemical Co., Ltd
 - ii. Posco International Corporation
 - iii. Posco International Italia S.R.L
 - iv. Sterlitamak Petrochemical Plant JSC, Russia
 - v. BST Elastomers Co. Ltd, Thailand
 - vi. Expol Diş Ticaret Limited Şirketi, Turkey
 - vii. Bonex – FZCO, Russia.
45. The interested parties have argued that the dumping margin and injury margin should be calculated based on monthly basis.

F.3.1 Normal value and net export price for the European Union

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

F.3.2 Normal value and net export price for Japan

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

F.3.3 Normal value and net export price for Korea RP

a. Kumho Petrochemicals Co Ltd (KPC)

50. Kumho Petrochemicals Co Ltd (KPC) has filed a response as the producer of the product under consideration in Korea. The producer has exported the product directly and through Posco International Corporation, Posco International Italia S.R.L and Apollo Tyres Holdings (Singapore) Pte. Ltd . Posco International Corporation and Posco International Italia S.R.L have filed complete response. No response has however been filed by Apollo Tyres Holdings (Singapore) Pte. Ltd
51. During the period of investigation, the producer has sold ***MT of the subject goods in the domestic market to unrelated parties. The domestic sales are in sufficient volumes.
52. The Authority conducted a verification at the premises of the producer and exporter M/s KPC. The verification report was forwarded to the exporter/producer and no comments were received on it. The present determination is on the basis of information provided by the exporter, information verified by the authority and facts available to the extent the questionnaire response is deficient. Further, the authority has determined cost of production of the exporter on the basis of information and evidence provided by the exporter. Cost of production has been determined by the authority based on the records maintained by the producer/exporter in accordance with the Generally Accepted Accounting Principles duly adjusted with the non-operating income or cost.
53. To determine the normal value, the Authority conducted the ordinary course of trade test to determine the profit-making domestic sales transactions with reference to the cost of production of the subject goods. If profit-making transactions are more than 80% of the total sales, then all the transactions in the domestic sales are considered for the determination of the normal value. In case the profitable transactions are less than 80%,

only profitable domestic sales are taken into consideration for the determination of the normal value. The ordinary course of trade test has been carried out on monthly basis as per the request of the domestic industry and other interested parties. Where profitable transactions in terms of volume is abnormally low in the particular month, normal value for that month has been determined on the basis of the cost of production, along with SGA and profit margin. The producer has claimed adjustment on account of inland freight, packing expenses and credit cost, and the same has been allowed. Accordingly, the normal value at ex-factory level for the producer has been determined, and the same is shown in the dumping margin table below.

54. The producer has reported ***MT of exports of the product under consideration to India during the period of investigation. The producer has claimed that it has exported the product to India directly as well as through its traders, namely POSCO International, POSCO Italy, and Apollo Tyres Holdings (Singapore) Pte. Ltd. POSCO International, POSCO Italy have participated in the investigation but Apollo Tyres Holdings (Singapore) Pte. Ltd has not cooperated with the Authority, therefore, the export price for the exports made through Apollo Tyres Holdings (Singapore) Pte. Ltd has been determined on the basis of facts available. The claimed adjustment on account of inland freight, packing expenses, and credit cost has been allowed, after due verification.

b. **Other producers and exporters from Korea RP**

55. No other producers/exporters from Korea RP have cooperated in the present investigation. In view of the same, the normal value and export price for all other non-cooperating producers and exporters from Korea have been determined based on the facts available under Rule 6(8) of the Rules. The dumping margin so determined is mentioned in the dumping margin table below.

F.3.4 Normal value and net export price for Russia

a. **Sterlitamak Petrochemical Plant JSC, Russia**

56. Sterlitamak Petrochemical Plant JSC, Russia, has filed a response as the producer of the product under consideration in Russia. During the period of investigation, the producer has sold ***MT of the subject goods in the domestic market to unrelated parties. The domestic sales are in sufficient volumes.
57. The producer has reported ***MT of value as exports of the product under consideration to India during the period of investigation. The producer has claimed that it has exported 100% subject goods to India through a trader namely KARTLI TURKEY PLASTIK KİMYA TİC.LTD.ŞTİ. who has participated and submitted its response. The response was examined and it was seen that the trader has not filed complete questionnaire response. Hence, a deficiency letter was issued to the trader stating the deficiencies and it

was also stated that in case of non-submission of reply authority will rely on the available facts, outcome of which may be less favorable to the exporter/producer. However, the said trader has not submitted any reply to the deficiencies raised. It is therefore considered that the producer has not co-operated to the best of its ability. Therefore, the Authority has not calculated individual dumping margin for the producer.

c. **Other producers and exporters from Russia**

58. It is noted that no other producers/exporters from Russia have cooperated in the present sunset review. In view of the same, the normal value and export price for all other non-cooperating producers and exporters of Russia have been determined based on the facts available under Rule 6(8) of the Rules. The net export price so arrived is mentioned in the dumping margin table.

F.3.5 Normal value and net export price for Thailand

a. **BST Elastomers Co. Ltd, Thailand**

59. BST Elastomers Co. Ltd, Thailand, has filed a response as the producer of the product under consideration in Thailand. During the period of investigation, the producer has sold ***MT of the subject goods in the domestic market to unrelated parties. The domestic sales are in sufficient volumes.
60. The authority conducted a verification at the premises of the exporter. The verification report was forwarded to the exporter/producer and no comments were received on it. The present determination is on the basis of information provided by the exporter, information verified by the authority and facts available to the extent the questionnaire response is deficient. Further, the authority has determined cost of production of the exporter on the basis of information and evidence provided by the exporter. Cost of production has been determined by the authority based on the records maintained by the producer/exporter in accordance with the Generally Accepted Accounting Principles duly adjusted with the non-operating income or cost. Accordingly, the cost of production reported for each of the months of the POI have also been duly adjusted and adopted for the purpose of present determination.
61. To determine the normal value, the Authority conducted the ordinary course of trade test to determine the profit-making domestic sales transactions with reference to the cost of production of the subject goods. If profit-making transactions are more than 80% of the total sales, then all the transactions in the domestic sales are considered for the determination of the normal value and in case the profitable transactions are less than 80%, only profitable domestic sales are taken into consideration for the determination of the normal value. In the present investigation, since the profit-making sales are above 80%, all the domestic sales have been considered to determine the normal value. The producer has claimed adjustment on account of inland freight, packing expenses and

credit cost, and the same has been allowed. Accordingly, the normal value at the ex-factory level for the producer has been determined, and the same is shown in the dumping margin table below.

62. The producer has reported ***MT as exports of the product under consideration to India during the period of investigation. The producer has claimed that it has exported the product to India directly as well as through its traders. The traders of the producers have participated. The claimed adjustment on account of inland freight, packing expenses and credit cost, and the same have been allowed.

d. **Other producers and exporters from Thailand.**

63. No other producers/exporters from Thailand have cooperated in the present investigation. In view of the same, the normal value and export price for all other non-cooperating producers and exporters of Thailand have been determined based on the facts available under Rule 6(8) of the Rules. The net export price so arrived is mentioned in the dumping margin table.

F.3.6 Dumping Margin

64. The normal value, export price and dumping margin determined in the present investigation are as follows:

SN	Particulars	UOM	Normal value (\$/MT)	Export price (\$/MT)	Dumping margin		
					\$/MT	%	Range
A	European Union						
1	Any	\$/MT	***	***	***	***	10-20
B	Japan						
1	Any	\$/MT	***	***	***	***	10-20
C	Korea						
1	Kumho Petrochemicals Co Ltd (KPC)	\$/MT	***	***	***	***	0-10
2	Any other	\$/MT	***	***	***	***	0-10
D	Russia						
1	Any	\$/MT	***	***	***	***	20-30
E	Thailand						
1	BST Elastomers Co. Ltd, Thailand	\$/MT	***	***	***	***	0-10
2	Any other	\$/MT	***	***	***	***	10-20

65. It is seen that the dumping margin for the subject countries is above *de minimis* and is significant.

G. EXAMINATION OF INJURY AND CAUSAL LINK

G. 1 Submissions made by other interested parties.

66. The other interested parties have made the following submissions with regard to injury and causal link:
- i. Imports from Korea are at a fair price. Imports from the European Union and Russia are causing injury to the domestic industry.
 - ii. The domestic industry's effective export price is approximately USD ***/MT lower than the price charged to domestic users.
 - iii. Domestic price movements are aligned with input cost fluctuations. The difficulties faced by the domestic industry are attributable to raw material cost fluctuations rather than to import competition.
 - iv. Month-wise undercutting is negative in several months of the period of investigation, which demonstrates normal market fluctuations.
 - v. Disproportionate increase in labour costs suggests rising wage expenses may be contributing to the cost pressures faced by the domestic industry.
 - vi. The ex-factory cost of BST Elastomers Co., Ltd., Thailand has shown a variation of almost 25% within the period of investigation.
 - vii. For the purpose of arriving at return on capital employed, the Authority should consider historical profit margins during periods free from the impact of dumped imports.
 - viii. The domestic industry has accepted that they have not suffered any volume injury and imports and have instead merely filled the supply gap.
 - ix. The domestic industry's domestic sales have expanded broadly in line with the growth in total Indian demand.
 - x. Both domestic and import prices respond to the same underlying cost drivers, namely volatility in crude oil-linked feedstocks selling prices have moved upwards during the period of investigation, consistent with raw material cost movements, and do not show either persistent depression or suppression.
 - xi. Improvement in output and utilisation indicates that the domestic industry has been able to efficiently deploy its existing capacity to meet rising demand.
 - xii. Productivity of the domestic industry improved significantly,
 - xiii. The employment levels have increased marginally, but the wages rose steeply, indicating that the burden on profitability arises from internal cost escalations rather than from import competition
 - xiv. There is an absence of a causal link and any temporary pressure on margins is a consequence of inherent crude-linked volatility
 - xv. Any injury claimed is self-inflicted and attributable to weak export strategy and structural limitations.

- xvi. The applicant is a fully backward-integrated producer with preferential access to styrene, butadiene, and other feedstocks across its petrochemical chain.
- xvii. RIL secures raw materials at highly competitive prices. Consequently, similar to ISRPL, volatility in crude-linked raw material prices should not significantly affect its cost structure. If RIL claims injury due to input volatility, this can only be the result of internal inefficiencies and procurement choices, not on account of subject imports of the product under consideration.
- xviii. The Authority should examine the basis of arriving at the transfer price of Butadiene adopted by the domestic industry, and if it has been consistently applied in the past or the same has been changed during the period of investigation.
- xix. ISRPL's financial risk profile remains robust, characterized by healthy profitability, a comfortable capital structure, and strong liquidity.
- xx. By stating that ISRPL has a formula-based procurement which results in its significantly better performance, the domestic industry has admitted that ISRPL is performing better than RIL.
- xxi. The applicant conceded that it has not suffered any volume injury.
- xxii. The applicant's data shows that undercutting is negative in several months of the period of investigation.
- xxiii. The ability of applicant to increase its selling prices is direct evidence that imports have not suppressed prices.
- xxiv. The weak financials are due to internal inefficiencies and procurement choice.
- xxv. ISRPL remains highly profitable throughout the period,
- xxvi. The DI in para 88 of its POHWS has placed reliance on the judgment of the Hon'ble Supreme Court in *Reliance Industries Ltd. v. Designated Authority* [(2006) 202 E.L.T. 23 (S.C.)]. It is respectfully submitted that the cited passage constitutes obiter dicta rather than the ratio decidendi of the judgment.
- xxvii. Diversion of Russian exports to India due to loss of the European market is speculative and unsupported by any concrete data or analysis.
- xxviii. The decline in the domestic industry's profitability was primarily attributable to increased cost of sales and not to subject imports.
- xxix. The existence of capacity or exports does not establish dumping or injury

G. 2 Submissions made by the domestic industry.

- 67. The domestic industry has made the following submissions with regard to injury and causal link:
 - i. It is important to appreciate this history of dumping and subsidization which reflects the consistent behaviour of the exporters over two decades.
 - ii. The production process is a continuous process, and domestic industry imports Styrene, of which orders are placed well in advance. If production is suspended, the domestic industry will have to incur significant storage costs.
 - iii. The import volume was the highest in the period of investigation.
 - iv. The imports have shown an increasing trend in relation to total imports, production and consumption in India.

- v. There are 2 producers in India and about 14 active producers in the subject countries. A total of 16 producers selling ***MT in the Indian market to 8 major tyre companies, constituting ***% of the gross consumption in India.
- vi. The tyre companies hold vigorous interaction and price negotiations, and therefore, the price undercutting is low. The fluctuation in price undercutting shows the existence of price competition amongst all suppliers operating in the Indian market.
- vii. The subject imports have led to price suppression.
- viii. The capacity of the domestic industry has remained constant over the years. The plant of the domestic industry is used to produce both the 1500 and 1700 series of E-SBR.
- ix. The domestic industry had unutilized capacity.
- x. The increase in domestic sales has come at a cost of a decline in profits.
- xi. The domestic industry has made unwarranted exports.
- xii. Nearly one-third of the market has been captured by the subject imports.
- xiii. The average inventory as a number of days of production and sales has also increased over the injury period and was highest in the period of investigation
- xiv. The profits of the domestic industry have declined materially over the injury period. The profit per unit is also required to be compared with the increase in the cost.
- xv. The domestic industry has suffered a profit erosion of [***] % on cost of sales in the period of investigation.
- xvi. The landed price of imports has not moved in line with raw material cost.
- xvii. The profitability has declined over the injury period and is lowest level in the period of investigation.
- xviii. The cash profits have also declined over the injury period and were the lowest in the period of investigation.
- xix. The profit before interest and return on investment has declined over the injury period.
- xx. The landed price of imports from Korea is below the landed price of European Union. It cannot be contended that the imports from the European Union have caused injury but the imports from Korea RP have not when the domestic industry is concerned with the adverse effect of dumping on the prices.
- xxi. The fluctuations in the price of the raw material were not peculiar to the domestic industry alone.
- xxii. The Authority and Tribunal have taken a view that a return of 22% shall be allowed for the determination of non-injurious price.
- xxiii. The European SBR market has been struggling with weak domestic demand. The European producers were already faced with significant idle capacities and have lost significant domestic sales.
- xxiv. The producers in Korea and Thailand have significantly high capacity, which is utilised to cater for the export markets.
- xxv. Due to the ongoing conflict, Russian producers have lost significant sales and have diverted their exports to other markets, including India.
- xxvi. If the injury to the domestic industry was due to internal inefficiencies and procurement choices, it would have suffered in the previous years as well.

- xxvii. On the submission that ISRPL data is also required to be examined, the domestic industry in the present investigation is Reliance Industries Limited, and the evaluation of injury is required to be restricted to only Reliance Industries Limited.
- xxviii. There is no basis for alleging that ISRPL has not suffered injury. The increase in sales of ISRPL is due to the nature of the production process. ISRPL has admitted in its annual report that low-priced imports have affected its performance as well.
- xxix. ISRPL is supported by a secured supply of butadiene through a long-term agreement with IOCL, at a formula-based transfer pricing.

G. 3 Examination by the Authority.

68. Rule 11 of the Rules read with its Annexure-11 thereto 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 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 to 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.
69. The Authority has examined the arguments and counterarguments of the interested parties with regard to injury to the domestic industry. The analysis made by the Authority hereunder addresses the various submissions made by the interested parties.
70. With regard to the submissions made by the other interested parties that data of ISRPL is also required to be examined, it is noted that, as per Rule 11(2) of the Rules, the Authority is required to determine injury to the domestic industry, threat of injury to the domestic industry or material retardation to the establishment of the domestic industry. Therefore, the evaluation of injury is required to be restricted to the defined domestic industry. The domestic industry in the present investigation is M/s. Reliance Industries Limited, which satisfies the requirement of Rule 2(b).
71. With regard to the submissions made by the other interested parties that the domestic industry is exporting the product at lower prices, it is noted that the domestic industry has exported very low quantity of subject goods when compared to its domestic sales. The domestic industry has highlighted that these exports were unwarranted sales and made out of its inability to sell in the domestic market, and to prevent inventory piling up. It is clarified that only the segregated data for the domestic market has been considered to

examine injury. The fact that the domestic industry has exported at low price is irrelevant to decide whether the imports are at dumped prices and whether the domestic industry has suffered material injury. Price parameters of the domestic industry have in any case been adopted after segregating export sales.

72. The interested parties have requested reconsideration of the fixed 22% return on capital employed methodology for calculation of non-injurious price, and have suggested adoption of the actual return on capital employed earned by the domestic industry during periods free from dumping allegations as the benchmark for a reasonable return. The interested parties have placed reliance on the Hon'ble CESTAT Tribunal's decision in *Bridge Stone Tyre Manufacturing & Others vs. Designated Authority* and *M/s Hyosung Corporation vs. Designated Authority*. The Authority notes that Annexure III of the Rules refers to reasonable return (pre-tax) on the capital employed, and it is consistent practice of the Authority to determine the non-injurious price of the domestic industry based on reasonable return on capital employed, which is 22%. In the present case, no evidence has been provided by other interested parties that a return of less than 22% would be appropriate for the present case. The Authority also notes that in subsequent cases post the Tribunal's decisions cited by the interested parties, the Tribunal has upheld the practice of the Authority of applying a 22% return on capital employed in *Merino panel products vs. Designated Authority* and *M/s Perstorp Chemicals GmbH and Anr. vs Designated Authority and Ors.* The Authority also holds that consideration of 22% as reasonable return is appropriate to ensure objectivity in different determinations. Therefore, the Authority finds it appropriate to consider 22% return on capital employed methodology for calculating the non-injurious price of the domestic industry.
73. With regards to the submissions made by the other interested parties that the cost of the product under consideration is volatile due to fluctuations in the raw material prices, which has caused injury to the domestic industry, it is noted that fluctuation in the prices of raw material is a global factor, not peculiar to the Indian market alone and so would have affected the producers in the subject countries as well. The industry is expected to adjust their prices of the product in accordance with the fluctuations in the prices of raw materials. However, the domestic industry was prevented from adjusting its prices because of the presence of dumped imports from the subject countries, which were depressing the domestic prices and undercutting prices of the domestic industry in the market. It is seen that the cost of production of the domestic industry has declined, and even then, the losses of the domestic industry have increased.
74. With regard to the submissions of the other interested parties on the raw material pricing of the domestic industry, it is noted that the raw material pricing policy of the domestic industry is found consistent over the injury period. It is also noted the raw material prices of the domestic industry are lower than the raw material prices of even the participating producer.

Cumulative assessment of injury

75. Article 3.3 of the WTO agreement and para (iii) of Annexure II of the Rules provide that in a case where imports of a product from more than one country are being simultaneously subjected to an anti-dumping investigation, the Authority will cumulatively assess the effect of such imports, in case it determines that:
- The margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent (or more) of the import of 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 import of like article, and
 - A cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported products and the conditions of competition between the imported products and the like domestic articles.
76. In the instant case, the volume of imports and dumping margin from each of the subject countries is more than the *de minimis*. Further, the imports from the subject countries and the product manufactured by the domestic industry have inter-se comparable properties and are being used for the same applications and by the same segment of customers. Thus, the subject imports are competing in the Indian market inter-se as well as with the subject goods manufactured by the domestic industry. It is therefore considered that it would be appropriate to undertake a cumulative assessment of injury in the present investigation
- Assessment of demand/apparent consumption**
77. The Authority has determined demand / apparent consumption of the product in India as the sum of the domestic sales of the domestic industry, sales of the other producer as per the support letter and imports from all sources.

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Sales of the domestic industry	MT	***	***	***	***
	Trend	Indexed	100	95	114	116
2	Sale of supporter	MT	***	***	***	***
	Trend	Indexed	100	91	102	102
3	Imports from subject countries	MT	64,689	63,083	67,987	74,579
4	Imports from other countries	MT	2,657	3,813	4,322	5,123
5	Consumption	MT	***	***	***	***
	Trend	Indexed	100	101	111	115

78. It is noted that the demand for the subject product has gradually increased over the injury period and was the highest in the period of investigation.

G.3.1 Volume effect of the dumped imports

a. Import volumes from the subject countries

79. With regard to the volume of dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of the injury analysis, transaction-wise customs import data has been relied upon. The information is as follows:

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Subject Imports	MT	64,689	63,083	67,987	74,579
A	Japan	MT	3,558	1,198	3,882	3,595
B	EU	MT	22,963	27,401	20,769	29,923
C	Russia	MT	10,285	4,646	12,551	8,813
D	Korea RP	MT	27,850	29,838	27,879	27,445
E	Thailand	MT	34	0	2,907	4,803
F	Others	MT	2,657	3,813	4,322	5,123
	Consumption	MT	***	***	***	***
2	Subject import in relation to:					
A	Production	%	***	***	***	***
	Trend	Indexed	100	123	105	113
B	Consumption	%	***	***	***	***
	Trend	Indexed	100	103	100	107
C	Total imports	%	96%	94%	94%	94%

80. It is seen that: -
- The import volume from the subject countries increased in 2022-23, decreased in 2023-24 and increased thereafter. The imports were highest in the period of investigation.
 - The imports in relation to production and consumption increased in 2022-23, dipping in 2023-24 and increased again in the period of investigation.
 - The imports have constituted more than 90% share in total imports throughout the injury period.
 - Over the injury period, the imports have shown an increasing trend in relation to total imports, production and consumption in India.

G.3.2 Price effects of dumped imports

81. With regard to the effect of the dumped imports on the prices, it is required to be analyzed whether there has been a significant price undercutting by the alleged dumped imports as compared to the price of the like products in India, or whether the effect of such imports is otherwise to depress the prices or prevent the price increase, which otherwise would have occurred in the normal course. The impact on the prices of the domestic industry on account of the dumped imports from the subject country, with reference to the price undercutting and price suppression/ depression, if any. For the purpose of this analysis, the cost of production and the selling price of the domestic industry have been compared with the landed price of the imports of the subject goods from the subject country.

a. Price undercutting

82. For the purpose of price undercutting analysis, the selling price of the domestic industry has been compared with the landed price of imports from subject countries. In this regard, a comparison has been made between the landed value of the product and the average selling price of the domestic industry, net of all rebates and taxes, at the same level of trade.

Particular	Net selling price Rs/MT	Landed price Rs/MT	Price undercutting Rs/MT	Price undercutting %	Range
Japan	***	***	***	***	10-20%
European Union	***	***	***	***	0-10%
Russia	***	***	***	***	10-11%
Korea RP	***	***	***	***	0-10%
Thailand	***	***	***	***	0-10%
Weighted average	***	***	***	***	10-20%

83. It is noted that the subject imports are priced below the selling price of the domestic industry. The price undercutting from all subject countries is positive and significant.

b. Price suppression/depression

84. In order to determine whether the dumped imports are suppressing or depressing the domestic prices and whether the effect of such imports is to depress such prices to a significant degree or prevent price increase which otherwise would have occurred in the normal course, the changes in the costs and prices over the injury period are examined as below:

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Cost of Sales	₹/MT	***	***	***	***
2	Trend	Indexed	100	106	99	115
3	Selling Price	₹/MT	***	***	***	***

4	Trend	Indexed	100	95	91	102
5	Landed Price	₹/MT	***	***	***	***
6	Trend	Indexed	100	109	89	87

85. It is noted that:
- In 2022-23, even though the cost of sales of the domestic industry increased, the selling price declined. In 2023-24, the selling price and cost of sales both declined. The domestic industry was earning better profits till 2023-24.
 - The landed price of imports was higher than the selling price of domestic industry till 2022-23. However, the landed price fell below the selling price of domestic industry thereafter and the gap increased in the POI.
 - In the period of investigation, both the cost of sales and the selling price of the domestic industry have increased. However, the selling price has not increased in line with the increase in the cost of sales.
 - Over the injury period, while the cost of sales has increased, the landed price of imports has declined.
 - When seen in comparison to the immediately preceding year, the cost of sales increased by 16% or Rs [***] per MT in the period of investigation, but the selling price increased only by 13% or Rs [***] per MT.
 - When seen in comparison to the base year, the cost of sales increased by 15% or Rs [***] per MT in the period of investigation, but the selling price increased only by 2% or Rs [***] per MT. Further, landed price of imports increased only by ***.
 - The landed price of imports was higher by Rs [***] per MT as compared to the cost of sales in the base year. The gap declined significantly to mere Rs [***] per MT in the period of investigation.
 - It is seen that the imports have suppressed prices of the domestic industry in the market in the period of investigation.

G.3.3 Economic parameters of the domestic industry

86. Annexure II to the Anti-Dumping 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 the relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in the sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of the dumping; actual and potential negative effects on the cash flow, inventories, employment, wages, growth and the ability to raise the capital investments. The various injury parameters relating to the domestic industry are discussed below. The Authority has examined the injury parameters objectively, considering various facts and arguments made by the interested parties in their submissions:

- Capacity, production, capacity utilization and domestic sales.**

87. The performance of the domestic industry with regard to capacity, production, sales and capacity utilization over the injury period was as below:

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Installed capacity	MT	***	***	***	***
2	Trend	Indexed	100	100	100	100
3	Capacity utilization	%	***	***	***	***
4	Trend	Indexed	100	93	111	110
5	Production - Plant	MT	***	***	***	***
6	Trend	Indexed	100	93	111	110
7	Production - PUC	MT	***	***	***	***
8	Trend	Indexed	100	88	108	115
9	Domestic sales	MT	***	***	***	***
10	Trend	Indexed	100	95	114	116
11	Export sales	MT	***	***	***	***
12	Trend	Indexed	100	69	53	92

88. It is seen that:
- The capacity of the domestic industry has remained constant over the years. The plant of the domestic industry is used to produce both the 1500 and 1700 series of E-SBR. Thus, the Authority has considered combined production capacity and production for the PUC to determine capacity utilization. Capacity utilization increased over the injury period.
 - The production of the domestic industry declined marginally in 2022-23 and increased thereafter. The domestic industry has submitted that the decline in production in 2022-23 was due to a maintenance shutdown. The production of the domestic industry has increased over the injury period. The capacity utilization has followed the same trends as that of production.
 - The domestic sales declined marginally in 2022-23 but have increased thereafter. The domestic sales of the domestic industry have increased over the injury period.
 - While the domestic sales have increased in the period of investigation, they have come at a cost of a decline in profits.
 - It has been submitted by the domestic industry that it was forced to make exports at a loss during the injury period.

b. Market share

89. The effect of the dumped imports on the market share of the domestic industry has been examined as under: -

SN	Market share	Unit	2021-22	2022-23	2023-24	POI
1	Domestic industry	%	***	***	***	***
2	Trend	Indexed	100	94	102	101
3	Other producer	%	***	***	***	***

4	Trend	Indexed	100	90	92	89
5	Subject imports	%	***	***	***	***
6	Trend	Indexed	100	118	103	110
7	Other country	%	***	***	***	***
8	Trend	Indexed	100	200	200	200

90. It is seen that

- a. The market share of the domestic industry declined in 2022-23, marginally increased in 2023-24 and then remained at a similar level in the period of investigation.
- b. The market share of the domestic industry has marginally increased, but the market share of the supporter has declined.
- c. The market share of the subject imports has increased in 2022-23, declined in 2023-24 and has increased again in the period of investigation. The market share of subject imports has increased over the injury period.

c. Inventories

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Opening Inventory	MT	***	***	***	***
2	Trend	Indexed	100	380	130	161
3	Closing Inventory	MT	***	***	***	***
4	Trend	Indexed	100	34	75	158
5	Average Inventory	MT	***	***	***	***
6	Trend	Indexed	100	106	87	159

92. It is noted that the closing inventory of the domestic industry was the highest in the injury period. The domestic industry submitted that it has not been able to sell in the domestic market due to dumping and was forced to make exports at significant losses in order to avoid inventory accumulation. Despite the same, closing stocks with the domestic industry have increased.

93. The average inventory has also increased over the injury period and was highest in the period of investigation.

d. Profitability, cash profit and return on capital employed.

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Profit/ (loss)	₹/MT	***	***	***	***

2	Trend	Indexed	100	42	49	39
3	Profit/ (loss)	₹/Lacs	***	***	***	***
4	Trend	Indexed	100	39	56	46
5	Cash profit	₹/MT	***	***	***	***
6	Trend	Indexed	100	53	57	49
7	Cash profit	₹/Lacs	***	***	***	***
8	Trend	Indexed	100	50	65	57
9	Profit before interest	₹/MT	***	***	***	***
10	Trend	Indexed	100	50	55	47
11	Profit before interest	₹/Lacs	***	***	***	***
12	Trend	Indexed	100	47	63	55
13	Return of Investment	%	***	***	***	***
14	Trend	Indexed	100	50	64	54

95. It is noted that

- a. The profits of the domestic industry declined in 2022-23, increased in 2023-24 and further declined in the period of investigation. The domestic industry has stated that the profits in 2022-23 were also impacted by the shutdown undertaken by the applicant.
- b. The profit per unit has declined from Rs [***] per MT in the base year to Rs [***] per MT in the period of investigation, thus showing a decline of 61%. The profitability has declined over the injury period and is at the lowest level in the period of investigation.
- c. The cash profits have also declined throughout the injury period and were lowest in the period of investigation. The cash profit per unit has declined from Rs [***] per MT in the base year to Rs [***] per MT in the period of investigation. The cash profit has declined by 51% over the injury period.
- d. The profit before interest has declined from Rs [***] per MT in the base year to Rs [***] per MT in the period of investigation, thus showing a decline of 53%.
- e. The return on investment of the domestic industry declined over the injury period. The ROI declined by 46% over the injury period.

e. Employment, wages and productivity

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	No. of employees	Nos.	***	***	***	***
2	Trend	Indexed	100	98	101	108
3	Salaries & Wages	₹ Lacs	***	***	***	***
4	Trend	Indexed	100	104	157	182
5	Productivity per day	MT/Days	***	***	***	***
6	Trend	Indexed	100	88	108	115

7	Productivity per employee	MT/Nos	***	***	***	***
8	Trend	Indexed	100	90	107	107

97. It is noted that the wages paid by the domestic industry have increased over the injury period and the number of employees has declined. The productivity has improved with the increase in these parameters. In any case, the domestic industry has not claimed injury in these parameters.

f. Growth

98. The growth of the domestic industry in terms of production, domestic sales volume, PBT, PBIT and cash profits are given in the table below:

SN	Particulars	Unit	2022-23	2023-24	POI
1	Production	%	-12%	22%	7%
2	Domestic Sales	%	-5%	20%	2%
3	Profit/ (loss)	%	-58%	19%	-20%
4	Cash profit	%	-47%	8%	-15%
5	Profit before interest	%	-50%	12%	-14%

99. It is seen that the domestic industry has recorded a significant decline in growth and adversity in price parameters. With regards to the volume parameters, it is seen that the production, capacity utilization, domestic sales and market share of the domestic industry have shown an increase. However, profitability, cash profit, and return on capital employed of the domestic industry have also witnessed a negative growth in the recent period.

g. Factors affecting prices.

100. It is noted that the domestic industry has not been able to increase its prices despite increase in costs and has not been able to get a remunerative price during the period of investigation. While the cost of sales has increased over the injury period by Rs [***] per MT, the selling price has increased only by Rs [***] per MT. The landed price of imports has declined by Rs 21,379 per MT. It is seen that the imports have forced the domestic industry to compromise on profitability. The profitability of the domestic industry has declined steeply over the injury period. It is therefore considered that dumped imports have adversely affected the prices of the domestic industry.

h. Impact on ability to raise capital investment.

101. The domestic industry has submitted that due to the demand and supply gap in the country, there is scope for investment in the product. However, at the current levels, the profits earned by the domestic industry do not justify a fresh investment. The domestic industry has emphasised that with a return on investment in the single digit, no producer will make fresh investments. It is seen that the ability of the domestic industry to raise capital investment has been impacted due to the dumped imports.

i. Magnitude of dumping margin.

102. The magnitude of dumping is an indicator of the extent to which the goods are being dumped into India. The investigation has shown that the dumping margin is positive and significant during the period of investigation.

G.3.4 Conclusions on injury.

103. It is noted that –
- a. The dumped imports from the subject countries have increased and were the highest in the period of investigation.
 - b. The imports have increased in absolute terms as well as relative terms.
 - c. The imports are below the selling price of the domestic industry. The price undercutting is positive and significant.
 - d. The imports have suppressed the prices of the domestic industry in the period of investigation.
 - e. The gap between the landed price of imports and the domestic industry cost of production has declined sharply over the injury period. The landed price of imports was higher by Rs [***] per MT as compared to the cost of sales in the base year. The gap has declined significantly to Rs [***] per MT in the period of investigation.
 - f. The production and domestic sales of the domestic industry have increased in the period of investigation. The domestic industry has submitted that it has sacrificed its profitability to sell in the domestic market.
 - g. The imports constitute one-third of the market share in the country.
 - h. The closing stock of the domestic industry has increased, and the domestic industry was forced to export at a loss to avoid inventory accumulation.
 - i. The profitability of the domestic industry has declined in the period of investigation. The profit per unit has declined from Rs [***] per MT in the base year to Rs [***] per MT in the period of investigation.
 - j. The cash profit per unit has declined from Rs [***] per MT in the base year to Rs [***] per MT in the period of investigation. The cash profit has declined by 51% over the injury period.
 - k. The profit before interest has declined from Rs [***] per MT in the base year to Rs [***] per MT in the period of investigation.
 - l. The imports have affected the ability of the domestic industry to raise capital.
 - m. The imports are affecting the prices of the domestic industry.
 - n. The dumping margin is positive and significant.

G.3.5 Threat of material injury

104. The Authority has additionally examined the threat of material injury to the domestic industry by dumped imports, having regard to the provisions of Annexure II of the Rules, which states as follows:

“(vii) A determination of a threat of material injury shall be based on facts and not merely on allegation, conjecture or remote possibility. The change in circumstances which would create a situation in which the dumping would cause injury must be clearly foreseen and imminent. In making a determination regarding the existence of a threat of material injury, the designated authority shall consider, inter alia, such factors as:

(a) a significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation;

(b) sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports;

(c) whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports; and

(d) inventories of the article being investigated.”

a. Significant rate of increase in dumped imports

105. The table below shows the increase in the dumped imports over the injury period.

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Imports from subject countries	MT	64,689	63,083	67,987	74,579
2	Subject import in relation to:					
A	Production	%	***	***	***	***
	Trend	Indexed	100	123	105	113
B	Consumption	%	***	***	***	***
	Trend	Indexed	100	103	100	107
C	Total imports	%	96%	94%	94%	94%

106. It is seen that the dumped imports from the subject countries have increased significantly and were the highest in the period of investigation.

b. Surplus capacities with the producers / exporters

107. The table below shows export orientation of the participating producers.

SN	Subject countries	Capacity (MT)	Export Sales(MT)	Export orientation (%)	Range
1	Kumho Petrochemical Co., Ltd, Korea	***	***	***	70-80%
2	Sterlitamak Petrochemical Plant JSC, Russia	***	***	***	70-80%
3	BST Elastomers Co. Ltd, Thailand	***	***	***	60-70%

108. It is seen that a significant share of capacities is being utilized for export purposes, showing that the producers in the subject countries are operating with surplus capacities.
109. The domestic industry has additionally submitted that the European ESBR market has suffered from low demand. Against a capacity of 1600 KT in the European Union, domestic demand is only 700-800 KT. Therefore, the producers in the Europe are facing significant idle capacities.
110. The domestic industry has also submitted that South Korea dominates the global market for the subject goods and has the largest capacities in the world.

c. Likely suppressing/depressing effect of imports

111. The table below shows the cost of sales and the selling price of the domestic industry and the landed price of imports.

Particulars	Unit	2021-22	2022-23	2023-24	POI
Cost of Sales	₹/MT	***	***	***	***
Trend	Indexed	100	106	99	115
Selling Price	₹/MT	***	***	***	***
Trend	Indexed	100	95	91	102
Landed price	₹/MT	***	***	***	***
Trend	Indexed	100	109	89	87

112. It is seen that the prices of the imports from the subject countries are below the selling price of the domestic industry, and the price undercutting is positive and significant. As already found above, in the period of investigation, the selling price of the domestic industry has not increased in line with the cost of sales. The landed price of imports was significantly higher than the cost of sales in the period prior to the period of investigation, but the gap has steeply declined in the recent period. It is therefore considered that the suppressing effect that is being caused by the dumped imports is likely to increase.

d. Measures imposed by other countries

113. The domestic industry has provided evidence that the USA, one of the biggest export markets for the subject countries, has imposed anti-dumping duties against the imports of ESBR from Korea and Poland with effect from 2nd August 2023.

H. CAUSAL LINK AND NON-ATTRIBUTION ANALYSIS

114. As per the Rules, the Authority, inter alia, is required to examine any known factors other than the dumped imports which are injuring or are likely to cause injury to the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and the domestic producers, developments in technology and the export performance and the productivity of the domestic industry. It has been examined below whether the factors listed under the Rules could have contributed to the injury suffered by the domestic industry.

a. Volume and price of imports from third countries

115. Imports from the subject countries constitute 94% share of the total imports into India. The imports of the subject goods from other countries are either (a) at insignificant volumes, or (b) at higher prices and hence not causing injury to the domestic industry.

b. Contraction in demand

116. It is seen that the demand for the product under consideration has increased over the injury period. It is also seen that the domestic sales have also seen an increase. Therefore, the domestic industry has not suffered injury due to a contraction in demand.

c. Changes in the pattern of consumption

117. There has been no known material change in the pattern of consumption of the product under consideration, which could have caused injury to the domestic industry.

d. Trade restrictive practices

118. No interested parties have produced any evidence relating to any known trade restrictive practice, which could have caused injury to the domestic industry. Therefore, the Authority concludes that the trade restrictive practice has not caused injury to the domestic industry.

e. Development of technology

119. It is seen that the technology for the production of the subject goods has not undergone any change. Hence, development in technology has not caused injury to the domestic industry.

f. Export performance

120. The Authority has considered the injury data for the domestic operations separately for the injury analysis. Therefore, export performance is not the cause of injury to the domestic industry. It is, however, seen that the exports are at losses.

g. Performance of other products

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

122. The Authority notes that other known factors which could have caused injury to the domestic industry have been duly examined in the non-attribution analysis above and do not appear to have caused injury to the domestic industry. The following factors establish that injury is caused due to dumping.

- a. The imports from the subject country are at dumped prices.
- b. The import price is below the selling price of the domestic industry, resulting in positive price undercutting.
- c. When seen in comparison to the base year, the cost of sales increased by 15% or Rs [***] per MT in the period of investigation, but the selling price increased only by 2% or Rs [***] per MT. Further, landed price of imports increased only by ***.
- d. The imports have suppressed the prices of the domestic industry in the period of investigation.
- e. As the imports are priced below selling price of the domestic industry, the profit of the domestic industry has declined from Rs [***] per MT in the base year to Rs [***] per MT in the period of investigation, thus showing a decline of 61%. The profitability has declined over the injury period and is at the lowest level in the period of investigation.

I. MAGNITUDE OF INJURY MARGIN

123. The Authority has determined the non-injurious price for the domestic industry on the basis of the principles laid down in the Rules read with Annexure III, as amended. The non-injurious price of the subject goods has been determined by adopting the verified 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 the injury margin. For determining the non-injurious price, the best utilisation of the raw materials, the utilities and the production capacity by the domestic industry 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 the 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 and is being followed.

124. The landed price for the cooperative exporters has been determined on the basis of the data furnished by the exporters. For all the non-cooperative producers/exporters from the subject countries, the Authority has determined the landed price based on facts available.
125. Based on the landed price and non-injurious price determined as above, the injury margin for producers/exporters has been determined by the Authority and the same is provided in the table below: -

SN	Particulars	UOM	NIP \$/MT	Landed price \$/MT	Injury margin		
					\$/MT	%	Range
A	European Union						
1	Any	\$/MT	***	***	***	***	10-20
B	Japan		***	***	***	***	
1	Any	\$/MT	***	***	***	***	20-30
C	Korea		***	***	***	***	
1	Kumho Petrochemicals Co. Ltd. (KPC)	\$/MT	***	***	***	***	0-10
2	Any other	\$/MT	***	***	***	***	10-20
D	Russia		***	***	***	***	
1	Any	\$/MT	***	***	***	***	10-20
E	Thailand		***	***	***	***	
1	BST Elastomers Co. Ltd, Thailand	\$/MT	***	***	***	***	10-20
2	Any other	\$/MT	***	***	***	***	10-20

J. INDIAN INDUSTRY INTEREST AND OTHER ISSUES

J.1 Submissions made by other interested parties

126. The other interested parties have made the following submissions with regard to the Indian industry's interest: -
- i. The Indian market for ESBR, particularly the 1500 series, suffers from a demand-supply imbalance.
 - ii. The domestic industry has not demonstrated any concrete steps to increase capacity to address the growing demand.
 - iii. Switching suppliers in the case of imposition of duty is not feasible. Any change in supplier requires prior approval from the Original Equipment Manufacturer (OEM),

- iv. Over the last four years, users have faced interruptions in production due to non-receipt of supplies of subject goods. Duties will adversely affect the operations.
- v. Imports from the subject countries primarily address the demand-supply gap since the applicant alone cannot fulfil the country's requirements.
- vi. Users of the subject goods include MSME industries that rely on consistent, competitively priced availability of fundamental raw materials.
- vii. Various raw materials of the tyre industry are subject to anti-dumping investigation, and the cumulative effect of these measures will be very high.
- viii. If a small percentage impact on user costs should not be considered determinative, then a notional impact on the domestic industry's profitability should not justify imposing duty.
 - ix. The proposed duties will escalate ESBR landed prices by 20- 30% or more.
 - x. Applicant has argued that a minor margin erosion for RIL warrants protection but a minor increase in costs for the entire tyre industry should be disregarded.
 - xi. The anti-dumping duty for the prolonged period has not even benefited domestic industry, leave alone the interest of user.

127. Table below shows the share of the product under consideration in the cost of the downstream industry as per the questionnaire response of the participating users.

Sr. No.	Title	Value (In ₹)
1	End Product Name	Tyre
2	Per unit Cost of PUC Consumed in End Product	***
3	Per unit Cost of Other Raw Materials Consumed (other than PUC)	***
4	Conversion Cost (including credit for other income)	***
5	Total Cost	***
6	Cost of PUC as % of Total Cost	***
7	Per unit Cost of PUC after 10% ADD	***
8	Cost of PUC as % After 10% ADD (On Total Cost)	***
9	% Impact in Total Cost (8-6)	0.41%

(Source: User Industry Questionnaire Response)

J.2 Submissions made by the domestic industry.

128. The domestic industry has made the following submissions with regard to the Indian industry's interest:
- i. In the past investigations into the product under consideration, the Authority has noted that the product under consideration has a very low share in the total cost of the tyre.
 - ii. The share of the product under consideration in the overall raw material cost, total cost and sales value of the tyre producers is minuscule. The impact of the duty in tyre industry is 0.37%.

- iii. If the impact of duty on all the products which are raw materials for the tyre industry is considered, it would be seen that the impact of duty is 0.7%.
- iv. The producers in the subject countries have no interest in long term development of the Indian market or consumers. The imposition of the anti-dumping measures would be in the interest of consumers.
- v. The purpose of the anti-dumping law was well recognized, appreciated and stated by the Hon'ble Supreme Court.
- vi. When there were anti-dumping measures on inputs used in producing tyres, there was no adverse impact of the measures on tyre producers.
- vii. Lack of participation of the members of AIRIA clearly shows that past duties had not adversely affected the users.
- viii. The other interested parties have not submitted any information on the share of the raw material cost in the downstream products, the demand, the impact of duties, or the exports undertaken.
- ix. The demand for 1700 should not be considered while calculating the demand-supply gap.
- x. When the imports under an advance license are excluded, the demand-supply gap is significantly less.
- xi. The profits earned by the domestic industry do not justify a fresh investment. The persistent inflow of low-priced imports has deterred further investment in expanding capacity in India.
- xii. The domestic industry has quantified the impact of anti-dumping duty as below.

SN	Particulars		UOM
1	Estimated turnover of the tyre industry	A	***
2	Estimated turnover of the SBR industry	B	***
3	Incidence of SBR in tyre industry	$C = B/A$	***
4	Increase in price (assumed)	D	***
5	Incidence of duty on tyre	$E = D \times C$	0.37%

J.3 Examination by the Authority

129. It is considered whether the recommendation for imposition of imposition of anti-dumping duty will be against public interest. This determination is based on consideration of information on records and interests of various parties including the domestic industry, foreign producers and consumers.
130. The Authority issued the initiation notification, inviting views from all interested parties including importers, users and consumers. An Economic Interest Questionnaire was also prescribed to allow various stakeholders, including the domestic industry, producers/exporters and importers/users/ consumers to provide relevant information concerning the present investigation, including the possible effect of anti-dumping duty on their operations

131. It is seen from the response of the user industry that the product under consideration does not form a critical part of the cost of operations of the tyre industry. The impact of anti-dumping duty is found to be minuscule from the submissions made by the domestic industry and user industry. The imposition of a 10% Anti-Dumping Duty (ADD) on Styrene Butadiene Rubber (SBR), which is a raw material in tyre manufacturing, has only a marginal impact on the overall cost structure of tyres. While the per-unit cost of SBR rises from (₹***) to (₹***) after ADD, its share in the total tyre production cost increases slightly from **% to **%. This translates into a mere 0.41% increase in the total cost of tyre production.
132. The Authority also notes that none of the consumers from the non-tyre segment have registered themselves as interested parties in the present anti-dumping.
133. It has also been contended by the user industry that several trade remedial measures have been imposed on their different raw materials, which have impacted their costs. Domestic Industry has stated that the performance of tyre industry along with different trade remedial measures imposed in past and has claimed that there is no correlation between trade remedial measures and performance of the tyre industry – either individually (for one of the raw materials) or collectively (for all raw materials attracting trade remedy measures). Since the product under consideration does not form a critical part of the tyre industry and other rubber compound manufacturers operations and since the impact of duty on the all products (various raw materials used by the user industry) on which either an investigation is ongoing or measures are in force is negligible, the Authority notes that there will be negligible impact of imposition of anti-dumping duty on the prices of the downstream industry.
134. It has been contended that there is a demand and supply gap in the country and the Indian industry is unable to meet the demand. The Authority notes that the imposition of anti-dumping duty shall not restrict the imports of the product. Domestic industry has merely sought remedy dumping in the country causing material injury to domestic industry. Demand-supply gap in the country does not bar the domestic industry from seeking redressal from dumped imports. Even after the imposition of anti-dumping duty, the imports are not restricted in the country. There are imports from the non-subject countries, which will continue to happen. It is also observed that domestic market investments were made based on fair market principles. It is noted that the user industry cannot contend having set up its operations considering access to dumped imports.
135. The primary objective of anti-dumping duties is to rectify 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. 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.

136. It is acknowledged 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, anti-dumping duties are not a hindrance but a facilitator of fair-trade practices.
137. It is noted that the imposition of anti-dumping duty does not restrict imports. Imports will continue to happen at fair prices. Anti-dumping duty ensures that the imports are entering the Indian market at fair prices and a level playing field is maintained between the foreign exporters and the domestic industry.

K. POST DISCLOSURE COMMENTS

K.1 Submission by other interested parties.

138. Following post disclosure submissions have been made by the other interested parties:
- a. The application of a fixed 22% return on capital employed is inconsistent with the requirement of a “reasonable return” under Annexure III, as it inflates the non-injurious price and is based on an outdated benchmark questioned in CESTAT rulings; therefore, the Authority should determine return based on actual profitability in non-dumped conditions.
 - b. Authority has incorrectly applied the OCT test as has considered only monthly cost comparison while ignoring the requirement to assess prices against weighted average period of investigation costs.
 - c. For calculating reasonable profit margin, the Authority is required to ascertain that all sales accurately reflect market conditions.
 - d. Interest income of Kumho has been removed from the calculation of cost of production without any justification. The Authority should consider interest income and adopt a net basis approach to ensure fair and accurate COP determination.
 - e. All India Rubber Industries Association has also adopted the comments on dumping margin determination for Kumho.
 - f. The disclosure statement does not examine the combined or cumulative impact of these measures on the tyre industry and limits its assessment to the marginal impact of the present duty.
 - g. Representative assessment of material injury is not possible without considering the data of the biggest domestic producer holding majority share in total production
 - h. The Authority has observed in the disclosure statement that “no evidence has been made available by any interested party that ISRPL is not suffering material injury”. This imposes an excessive and unreasonable requirement

- i. The disclosure statement does not record or examine the evidence placed on record by the user industry concerning the financial performance of ISPRL.
- j. The correlation between raw material prices and the financial performance of the domestic industry is required to be examined.
- k. Reliance solely on weighted average figure for dumping margin determination, without examining the temporal variations in price relationships on a month-to-month basis or quarter-to-quarter basis, may lead to misleading conclusions.
- l. Impact of imposition of anti-dumping duty is required to be seen considering all the products on which duties are in place.
- m. Time granted by the authority to provide the comments on the disclosure statement is insufficient.

K.2 Submission by the domestic industry.

139. Following post disclosure submission have been made by the domestic industry:
- a. Considering the performance of the domestic industry and the volume and price of imports, it is requested that the Authority conclude that the domestic industry has suffered material injury and a threat of material injury.
 - b. The cumulative impact of the anti-dumping duty on all key raw materials is minimal at 0.7%.
 - c. The impact on the final tyre prices is miniscule, even if the costs are passed on to the end consumer.
 - d. A duty for a period of 5 years is necessary to recover from the significant injury caused by the dumped imports and to restore fair competition in the market. A shorter duration of duty would be inadequate to address the long-term effects of dumping and would risk continuation or recurrence.
 - e. Fixed form of anti-dumping duty may be recommended due to significant price fluctuations of the product.
 - f. Ad-valorem duty may be unsuitable in current scenario.
 - g. The Domestic Industry argues that in this case the months where normal value has been worked out based on cost plus profit margin, the profit margin should be based only on profitable sales, PUC being a capital-intensive product. In case, the Authority has considered a 5% profit margin in the calculation of constructed normal value which has been consistent practice of the Authority, such a low profit margin is not appropriate in this case.
 - h. The Authority has constructed the normal value for Kumho Petrochemicals Ltd. due to low profitable transactions. The profit margin should be based only on profitable sales. The Anti-Dumping Rules require the profit to be based on actual data from ordinary course of trade implying that loss-making transactions must be excluded from the profit calculation.
 - i. In the case of anti-dumping investigation on imports of Glass Fiber, the profit margin was determined basis the profitable domestic sales.

- j. The WTO Appellate Body in EC-Tube or Pipe Fitting mandates the use of actual profit from ordinary trade.
- k. The WTO Panel in Morocco – Exercise Books also confirms that the profit margin must be on actual data, with alternatives only when the actual data is not available.
- l. The EU practice also recognizes exclusion of non-ordinary (loss-making) sales while calculating the profit margin.

K.3 Examination by the Authority.

- 140. The Authority has examined the post-disclosure submissions made by the interested parties. It is observed that most of these submissions are reiterations of arguments and contentions that have already been examined and addressed to the extent deemed necessary in the relevant paragraphs of these final findings. The issues raised for the first time in the post disclosure comments/submissions by the interested parties and the domestic industry and considered relevant by the Authority are examined below. Any submission which was merely a reproduction of the previous submissions, and which had been adequately examined by the Authority has not been repeated for the sake of brevity.
- 141. The Authority notes that anti-dumping investigations are time-bound proceedings. No requests for extension of time to submit post-disclosure comments were received from any interested party. Accordingly, the contention that insufficient time was provided to submit such comments is without merit and cannot be sustained.
- 142. On the comments of the interested parties that for the determination of the non-injurious price, the Authority has considered return on capital employed at the rate of 22%, without providing reasons therefor and without disclosing the historical rate of return on capital employed earned by the domestic industry, it is noted that it has been consistent practice of the Authority to consider 22% return on capital employed. In the present case, no evidence/submissions have been given by interested parties during the course of the investigation substantiating as to why 22% return on capital employed is not justified.
- 143. The Authority rejected Kumho Petrochemical Co., Ltd.'s (KPC) arguments regarding netting of interest income and expenses, clarifying that interest expenses/cost are part of the cost of production as they relate to financing operations, while interest income stems from non-operating activities, treasury or investment activities are not netted against costs. The authority has followed similar approach in the past investigations of KPC as well as in other investigations.
- 144. Similarly, the Authority dismissed KPC's request to assess domestic sales profitability against weighted-average costs over the entire investigation period, emphasizing that margins were determined monthly to reflect fluctuations, and thus sales must be tested against the monthly cost of production. On the issue of low volumes of profitable sales, the Authority explained that when less than 80% of monthly sales were profitable, normal value was based on profitable transactions. However, in months where profitable sales

were abnormally low and not representative, normal value was constructed using cost of production plus reasonable additions for SG&A and profit.

145. On the comments of the interested parties that the price undercutting is negative in some months and therefore an average analysis is not appropriate, it is seen that the price undercutting is positive in some months for some of the subject countries and is negative for others. The price undercutting on overall basis is positive. This fluctuation clearly shows the existence of price competition amongst all suppliers operating in the Indian market. The degree of price undercutting also establishes that all the suppliers compete on prices.
146. On the comments filed by the interested parties that ISRPL data is required to be examined, the issue has already been clarified in the disclosure statement. Injury is required to be determined for the defined domestic industry. The domestic industry in the present investigation is M/s. Reliance Industries Limited, which satisfies the requirement of Rule 2(b). Further the domestic industry has provided copies of the annual report of ISRPL which shows that the producer has admitted in its annual report that low-priced imports have affected its performance as well.
147. On the comments of the interested parties that several trade remedial investigations are ongoing different raw materials of the user industry and the cumulative impact of all these raw materials will be significant, it is seen that while the users have made submissions during the investigation, no information on the cumulative impact has been provided. On the other hand, the domestic industry has provided information on the cumulative impact of anti-dumping duty on TDQ, Sulf. Acc, PX-13, SBR, Insoluble Sulphur and IIR. It is seen that the impact of duty of all these products on which either an investigation is ongoing or measures are in force is less than 1%.

L. CONCLUSION

148. Having regard to the contentions raised, information provided, and submissions made by the interested parties and facts available before the Authority, as recorded in the above findings, and on the basis of above analysis of the dumping, injury and causal link to the domestic industry, the Authority concludes as follows:
 - a. The scope of the product under consideration is Emulsion Styrene Butadiene Rubber of 1500 series originating or exported from European Union, Japan, Republic of Korea, Russian Federation and Thailand.
 - b. The subject goods are classified under Chapter 40 of the Customs Tariff Act 1975, under the code 4002 19. The customs classification is indicative only and is not binding on the scope of the product under consideration.

- c. The product under consideration attracts a basic customs duty of 10% under Schedule I of the Customs Tariff Act and the imports of the product under consideration enjoy a concession under India-ASEAN Comprehensive Economic Cooperation Agreement (IACECA), India-Korea Comprehensive Economic Partnership Agreement and Japan-India Comprehensive Economic Partnership Agreement.
- d. There was no requirement of PCN since the scope of the product under consideration contains only one series.
- e. The goods produced by the domestic industry are “like article” to the subject goods being imported from the subject countries in terms of Rule 2 (d) of the AD Rules.
- f. The application has been filed by Reliance Industries Limited and is supported by Indian Synthetic Rubber Private Limited.
- g. The production of the applicant accounts for a major proportion in the domestic production of the like article in India.
- h. With the support of the other Indian producer, the share of the two companies accounts for the total Indian production.
- i. The applicant constitutes domestic industry as defined under Rule 2(b) of the Rules and the application satisfies the requirement of standing in terms of Rule 5(3) of the Rules.
- j. Normal value, export price and dumping margin**
 - i. The margins of dumping determined for the cooperative producers/exporters, as well as those based on best facts available for the non-cooperative producers/exporters, are above the de-minimis level prescribed under the Rules.
 - ii. Based on the response filed by Kumho Petrochemicals Co. Ltd. (KPC), Korea and BST Elastomers Co. Ltd, Thailand, it is seen that the dumping margin is positive.
 - iii. The dumping margin with respect to imports from European Union, Japan and Russia has been determined based on facts available and is found to be positive.
 - iv. The product under consideration has been exported to India at a price below the normal value, resulting in dumping. The dumping margin is above de-minimis level and significant.
- k. Injury and threat of injury.**
 - i. The imports from the subject countries have increased in absolute terms as well as relative terms.
 - ii. Analysis of import price and prices of the domestic industry show that the price undercutting is positive and significant. The imports have suppressed the prices of the domestic industry in the period of investigation.
 - iii. The profitability of the domestic industry has declined in the period of investigation.
 - iv. The cash profit has declined by 51% over the injury period.

- v. There is threat of injury to the domestic industry which is evident from the significant rate of increase in dumped imports, surplus capacities in subject countries, likely suppressing/depressing effect of imports and measures imposed by other countries

I. Indian industry interest.

- i. It is found from the response of the user industry that the product under consideration does not form a critical part of the cost of operations of the tyre industry and the impact of anti-dumping duty would be minuscule.
- ii. There is no correlation between trade remedial measures and performance of the tyre industry.
- iii. Demand-supply gap in the country does not bar the domestic industry from seeking redressal from dumped imports and imposition of anti-dumping duty does not restrict imports.
- iv. The Authority finds anti-dumping measures necessary to safeguard domestic industry, ensuring fair competition while balancing consumer and public interest. It is found that the impact of ADD would not be significant on the downstream industry and eventual end consumer.

M. RECOMMENDATION

- 149. Having initiated and conducted the investigation into dumping, injury, and causal link in terms of the provisions laid down under the Anti-Dumping Rules, the Authority is of the view that imposition of the anti-dumping duty is required to offset the dumping and consequent injury and threat of injury. The Authority considers it necessary to recommend imposition of the anti-dumping duty on the imports of the subject goods originating in or exported from the subject countries.
- 150. Having regards to the lesser duty rule followed, the Authority recommends imposition of final anti-dumping 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 anti-dumping duty on the imports of subject goods originating in or exported from the subject countries, for a period of five (5) years, from the date of the notification to be issued in this regard by the Central Government, equal to the amount mentioned in Col. 7 of the duty table appended below.

DUTY TABLE

SN	Tariff Heading	Description of Goods	Country of Origin	Country of Export	Producer	Amount	Unit	Currency
1	2	3	4	5	6	7	8	9
1	4002 19	Emulsion Styrene Butadiene Rubber (E-SBR) of 1500 Series	European Union (EU)	Any country including European Union	Any producer	213	MT	\$
2	-do-	-do-	Any country other than EU, Japan, Korea, Thailand and Russia	European Union	Any producer	213	MT	\$
3	-do-	-do-	Japan	Any country including Japan	Any producer	272	MT	\$
4	-do-	-do-	Any country other than EU, Japan, Korea, Thailand and Russia	Japan	Any producer	272	MT	\$
5	-do-	-do-	Korea	Any country including Korea	Kumho Petrochemicals Co Ltd (KPC)	51	MT	\$
6	-do-	-do-	Korea	Any country including Korea	Any producer other than mentioned in SN 5	134	MT	\$
7	-do-	-do-	Any country other than EU, Japan, Korea, Thailand and Russia	Korea	Any	134	MT	\$
8	-do-	-do-	Russia	Any country including Russia	Any	319	MT	\$

9	-do-	-do-	Any country other than EU, Japan, Korea, Thailand and Russia	Russia	Any	319	MT	\$
10	-do-	-do-	Thailand	Any country including Thailand	BST Elastomers Co. Ltd, Thailand	109	MT	\$
11	-do-	-do-	Thailand	Any country including Thailand	Any producer other than mentioned in SN 10	195	MT	\$
12	-do-	-do-	Any country other than EU, Japan, Korea, Thailand and Russia	Thailand	Any	195	MT	\$

** The application of the individual duty rates specified for the companies mentioned in the above shall be conditional upon presentation to customs authorities of a valid commercial invoice, on which shall appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows: 'I, the undersigned, certify that the (volume) of (product concerned) sold for export to the India covered by this invoice was manufactured by (company name and address) in subject country. I declare that the information provided in this invoice is complete and correct.' If no such invoice is presented, the duty applicable to all other companies shall apply. This requirement is without prejudice to the verification procedures independently undertaken by the Customs authorities under the applicable customs law and regulation.*

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

151. Landed value of imports for the purpose of this Notification shall be the assessable value as determined under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 3A, 88, 9 and 9A of the said Act.

N. FURTHER PROCEDURE

152. An appeal against the order of the Central Government arising out of these findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act



Amitabh Kumar
Designated Authority.