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F. No. 6/52/2024-DGTR  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Trade Remedies  
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi -110001

**NOTIFICATION**

**(Final Findings)**

Date: 20.03.2026

**Case No. AD (OI) – 49/2024**

**Subject: Final Finding in the anti-dumping investigation concerning imports of “Sulphenamides Accelerators” originating in or exported from the People’s Republic of China, the European Union and the United States of America.**

**F. No. 6/52/2024-DGTR** - Having regard to the Customs Tariff Act 1975 as amended from time to time (hereinafter referred as “Act”) and the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter referred as the “Anti-Dumping Rules” or “Rules”) thereof,

**A. BACKGROUND OF THE CASE**

1. NOCIL Limited (hereinafter referred to as the “applicant”) filed an application, before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with the Customs Tariff Act, 1975 and the Anti-Dumping Rules for initiation of anti-dumping investigation concerning imports of “Sulphenamides Accelerators” (hereinafter also referred to as the “product under consideration” or the “subject goods”) from the People's Republic of China (“China PR”), European Union (“EU”), and the United States of America (“USA”) (hereinafter jointly referred to as the “subject countries”).
2. And whereas, in view of the sufficient *prima facie* application filed by the applicant, the Authority issued a public notice *vide* Notification F. No. 6/52/2024-DGTR, dated 31<sup>st</sup> December, 2024, published in the Gazette of India, initiating anti-dumping investigation into imports of the product under consideration from China PR, European Union and USA in accordance with Rule 5 of the Anti-Dumping Rules to determine the existence, degree and effect of any alleged dumping of the subject goods 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 below has been followed with regard to the investigation:

**3.1 Initiation.**

- a. In accordance with Rule 5(5), the Authority notified the embassy of subject countries in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation.
- b. Upon examination of the application, the Authority found *prima facie* evidence of dumping and consequent injury. Therefore, in accordance with Rules 5 and 6, *vide* Notification F. No. 6/51/2024-DGTR dated 31<sup>st</sup> December 2024, the Authority initiated the present proceedings.
- c. The period of investigation (POI) was considered as 1<sup>st</sup> April 2023 to 30<sup>th</sup> June 2024. The injury period was set to cover the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021, 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022, 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 and the period of investigation.
- d. A request was made to the Directorate General for Systems and Data Management (DG Systems) for transaction-wise import data of the subject goods for the injury period. The Authority received the data and has relied upon this data for the necessary analysis after due examination of the transactions.

**3.2 Circulation of non-confidential version of the application**

- e. 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.
- f. In accordance with Rule 6(3), the Authority provided a copy of the non-confidential version of the application to the governments of subject countries through their embassies in India, known exporters of the subject imports and to other interested parties who requested in writing for a copy of the application.
- g. The Authority sent questionnaires to the governments of 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 country and advise them to respond to the questionnaire within the prescribed time limit.

### 3.3 Participation by exporters of subject countries and importers/users from India.

- h. The Authority sent questionnaires to the following known producers/exporters in the subject countries in accordance with Rule 6(4) of the AD Rules, 1995:

S. No.	Name of interested party
a.	Apollo Tyres Holdings (Singapore) Pte Ltd
b.	Dalian Richon Chem Co. Ltd.
c.	Evermore Trading Corporation
d.	General Quimica S.A.U
e.	Hebi Ruida Chemical Technology Co.
f.	Henan Connect Rubber Chemical Limited
g.	Heze great Bridge Chemical Co. Ltd.
h.	Huangyan Zhedong Rubber Auxiliary Imp. & Exp. Co.
i.	Jiangsu Company , Sinopec Chemical Commercial Holding
j.	Kemai Chemical Co. Ltd.
L.	Lanxess Belgium N.V.
m.	Lanxess Corporation
n.	Lanxess N.V
o.	Nanjing Union Rubber and Chemicals Co. Ltd.
p.	Ningbo Sheen-All Chemical Co. Ltd.
q.	Puyang Willing Chemicals Co., Ltd.
r.	Qingdao Auxiliary Chemical Co
s.	Qingdao Kaiyuandaye Chemical Co. Ltd.
t.	Qingdao Welltech Chemical s Co. Ltd.
u.	Sennics Co., Ltd
V.	Shandong Derek New Materials Co. Ltd.
w.	Shandong Sunrise Chemical Co. Ltd./China Sunrise Chemical Holdings
X.	Shandong Yanggu Huatai Chemical
y.	Shenyang Sunway Trading Co., Ltd.
z.	Stair Chemical & Technology Co.
aa.	Taizhou Huangyan Donghai Chemical Co. Ltd.
ab.	Willing New Materials Technology Co. Ltd.
ac.	Zhengzhou Double Vigour Chemical Product Co. Ltd.
ad.	Zhengzhou Meikewote Trade Co. Ltd.

- i. The following producers and exporters have registered themselves as interested parties in the present investigation:

S. No.	Name of interested party
<b>I</b>	<b>European Union</b>
a.	LANXESS Belgium
<b>II</b>	<b>USA</b>
a.	LANXESS Corporation USA

- j. The Authority sent importer's questionnaire to the following known importers/users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules.

S. No.	Name of interested party
a.	Agarwal Rubber Limited
b.	Apollo Tyres Limited
c.	Asian Tire Factory Limited
d.	ASP Sealing Products Limited
e.	ATC Tires Private Limited
f.	B.P. Chemicals
g.	Balkrishna Industries Limited
h.	Chowdhry Rubber & Chemical Pvt. Ltd.
i.	Climax Overseas Pvt. Ltd.
j.	Continental India Private Limited
k.	Dalmia Polymers LLP
l.	Dharamshila Belting Pvt. Ltd.
m.	Evermore Industries India Private Limited
n.	Forech India Private Limited
o.	Forech Mining & Construction International LLP
p.	General Rubbers (Midas)
q.	Globus Rubchem Private Limited
r.	Goodyear India Limited
s.	Goodyear South Asia Tyres Private Limited
t.	Hartex Rubber Private Limited
u.	JK Tyre & Industries Limited
v.	KD Impex
w.	Kohinoor India Pvt. Ltd.
x.	Lanxess India Pvt. Ltd.
y.	Mahajan Tyre Company
z.	Merchem Limited
aa.	Metro Tyres Limited
ab.	MRF Limited
ac.	Oriental Rubber Industries Pvt. Ltd.
ad.	PMC Rubber Chemicals India Pvt. Ltd.
ae.	Poddar Tyres Limited
af.	Premier Conveyors Pvt. Ltd.
ag.	Pukhraj Engg And Chemicals Pvt. Ltd.
ah.	Ralson (India) Limited
ai.	Rishirop Limited
aj.	Speedways Rubber Company
ak.	Speedways Tyre Limited
al.	Subh Chemicals

S. No.	Name of interested party
am.	Surendra Elastomers Pvt. Ltd.
an.	TVS Srichakra Limited
ao.	Vagmi Chemicals Private Limited
ap.	Vinko Auto Industries Ltd.
aq.	Welman India Private Limited
ar.	Zenith Industrial Rubber Products Pvt. Ltd.

- k. In response to the initiation of the subject investigation notification, the following importers/users have registered themselves as interested parties in the investigation.

SN	Name of interested party
a.	Apollo Tyres Limited
b.	CEAT Limited
c.	J K Tyres & Industries Limited
d.	M/s LANXESS India Private Limited
e.	MRF Limited

- l. In addition to the above, one association, namely, the Automotive Tyre Manufacturers Association has also registered themselves as an interested party in the present investigation.
- m. The Authority issued an Economic Interest Questionnaire (EIQ) to assess public interest and 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. Of the applicant, producers/exporters, importers/users and user associations registered as interested party, a response to the economic interest questionnaire was filed by the following:

SN	Name of interested party
<b>I</b>	<b>Applicant</b>
a.	NOCIL Limited
<b>II</b>	<b>Importers/users</b>
a.	Apollo Tyres Ltd.
b.	CEAT Limited
c.	J K Tyres & Industries Limited
d.	MRF Limited

- n. 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 with all other interested parties

### **3.4 Further procedures**

- o. 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 26<sup>th</sup> 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. Subsequently, another oral hearing was held on 9<sup>th</sup> December, 2025 on account of change of the Designated Authority. All the interested parties that had attended the second oral hearing were provided with an opportunity to file written submissions, followed by rejoinder submissions. The interested parties were further directed to share the NCV of the written submissions with the other interested parties.
- p. 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 based on the facts available.
- q. 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 confidential basis were directed to provide a non-confidential summary of the information filed on confidential basis.
- r. In accordance with Rule 8, the Authority conducted verification of the data provided by the applicant 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.
- s. 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 applicant and having regard to the Generally Accepted Accounting Principles (GAAP).
- t. 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 purpose, in making the final finding.
- u. The examination and verification of the information submitted by the cooperating producers/exporters from the subject countries were also carried out to the extent deemed necessary and the same has been relied upon for the purpose of the present final finding.
- v. A disclosure statement was issued to interested parties on 12<sup>th</sup> March, 2026 containing essential facts under consideration of the Designated Authority, giving time up to 17<sup>th</sup>

- March, 2026 to furnish comments, if any, on the Disclosure Statement. The authority has considered post disclosure comments received from interested parties appropriately in the present final findings.
- w. \*\*\* represents information furnished by a party on confidential basis and so considered by the Authority under the Rules.
  - x. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = Rs. 83.82.

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

**C.1 Submission by opposing interested parties.**

- 4. The opposing interested parties have made the following submissions with regard to the product under consideration and like article:
  - a. While CBS and NS fall within the same broad product family, CBS and NS are distinct chemical products with materially different technical characteristics, curing behaviour, cost structures, and end-use applications.
  - b. The applicant has acknowledged that CBS offers greater scorch safety with delayed vulcanization and is primarily used in synthetic rubber compounds and inner tyre components, whereas NS provides faster curing with strong scorch resistance and is predominantly used in natural rubber-based applications such as tyre treads and caps. These differences, further reflected in their melting points, ash content, curing speed, and application profiles, establish that CBS and NS are neither technically nor commercially substitutable and do not share a common demand profile.
  - c. CBS and NS are not technically or commercial substitutable and cannot be treated as a single homogeneous product.
  - d. In the Final Findings on *Certain Rubber Chemicals (MBT, MBTS, CBS) from China* PR dated 6<sup>th</sup> July 2005, the Authority had considered MBT, MBTS and CBS as stand-alone products under consideration since they were specific chemicals used in specific formulations for manufacture of different types of rubber products, and could not be substituted for one another, notwithstanding that they were all broadly categorized as accelerators and inhibitors.

**C.2 Submission by the applicant.**

- 5. The applicant has made the following submissions with regard to the product under consideration:
  - a. The product under consideration is 'Sulphenamide Accelerators'.
  - b. Sulphenamide accelerators are the reaction products of Mercapto benzothiazole with amines, such as cyclohexylamine, tertiarybutylamine and Di cyclohexylamine. Mercapto-benzothiazole is the major raw material required for production of different types of Sulphenamides.

- c. Sulphenamide accelerators are of various types and the product is restricted to N-cyclohexyl-2-benzothiazolesulfenamide (CBS) and N-tert-butyl-2-benzothiazole sulfenamide (NS).
- d. Oxydiethylene-2-benzothiazole sulphenamide (MOR) and N,N'-Dicyclohexyl-2-benzothiazole sulfenamides (DCBS) are outside the scope of the product under consideration.
- e. The product under consideration is classifiable under Chapter 38 of the Customs Tariff Act, 1975 under the sub-heading 3812 of the Tariff classification, under the HS code 3812 10 00. The product under consideration has been imported under the HS codes, namely 2921 51 90, 2930 30 00, 2931 90 90, 2934 20 00, 3812 10 00, 3812 31 00 and 3812 39 90.
- f. CBS and NS should be considered two different PCNs since they differ in cost and price.
- g. The basic customs duty applicable to the product under consideration is 7.5%.
- h. There is no known difference in the like article produced by the applicant and the product under consideration exported from subject countries.
- i. While it is indeed true that CBS and NS constitute two different types of sulphenamides accelerators, these are produced using same basic raw material (Sodium 2-mercaptobenzothiazole or NaMBT) and essentially follow similar manufacturing process.
- j. CBS and NS have similar technical characteristics, perform the same function, and are used by the same set of consumers. The cost of the two products also moves in tandem as the major raw material is same.
- k. The Authority has considered CBS and NS as separate PCNs and therefore, the dumping margin and injury margin analysis will eventually be undertaken for both the grades separately.
- l. No reason has been provided by the opposing interested parties for treating them as distinct products.

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

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

*"3. The product under consideration in the present investigation is Sulphenamides Accelerators. Based on eventual end applications, there are four different types of Sulphenamides accelerators produced in India which are as listed below: -*

- a. CBS - N-cyclohexyl-2-benzothiazolesulfenamide*
- b. NS - N-tert-butyl-2-benzothiazole sulfenamides*
- c. DCBS - N, N'-Dicyclohexyl-2-benzothiazole sulfenamides*
- d. MOR - N-oxydiethylene-2-benzothiazole sulphenamides*

4. *The scope of the product under consideration excludes MOR and DCBS Sulphenamides Accelerators. The scope of the product under consideration only includes CBS and NS form of the product under consideration.*

5. *Sulphenamide accelerators are the reaction products of Mercapto benzothiazole with an amines, such as cyclohexylamine, tertiary-butylamine and Di cyclohexylamine. Mercapto-benzothiazole is the major raw material required for production of different types of Sulphenamides Accelerators.*

6. *The product under consideration is classified under chapter 38 of the Customs Tariff Act, 1975 under sub-heading 3812 of the Tariff classification under the HS code 3812 10 00. The applicant has stated that product is imported in the following HS codes: - 29215190, 29303000, 29319090, 29342000, 38121000, 38123100 and 38123990. The customs classification is indicative only and is not binding on the scope of the product under consideration.”*

7. The product under consideration in the present investigation is “Sulphenamides Accelerators”. The scope of the product under consideration excludes MOR and DCBS Sulphenamides Accelerators. The scope of the product under consideration only includes CBS and NS form of the product under consideration.
8. The Authority notified the scope of the product under consideration and the PCN methodology in the notice of initiation. The interested parties were asked to provide their comments on the PUC/PCN methodology, if any, within 15 days from the date of initiation of this investigation.
9. None of the interested parties filed any comments on the scope of the PUC and the PCN methodology. Accordingly, the Authority confirmed the same scope of the PUC as given in the notice of initiation for the purpose of the present investigation and notified the following PCN methodology for the purpose of providing relevant information.

PCN	Code
CBS - N-cyclohexyl-2-benzothiazolesulfenamide	CBS
NS - N-tert-butyl-2-benzothiazole sulfenamide	NS

10. With regard to interested parties’ argument that CBS and NS cannot be treated as a single homogenous product, on the basis of the information available on record, it is seen that although CBS and NS are two distinct types of sulphenamide accelerators, they are manufactured using the same principal raw material, namely Sodium 2-mercaptobenzothiazole (NaMBT), and broadly follow a similar manufacturing process. The essential technical parameters of both products are comparable, and they possess largely similar physical and technical characteristics. Further, CBS and NS perform the same function and are consumed by the same category of end users. Their cost structures

also exhibit a parallel movement, since the major raw material used in the production of both products is identical. The Authority therefore considers that CBS and NS can be considered as one product under consideration. The Authority has determined separate dumping margin, injury margin and price undercutting for CBS and NS.

11. With regard to interested parties argument that MBT, MBTS and CBS were considered stand-alone products under consideration in the *Final Findings on Certain Rubber Chemicals (MBT, MBTS, CBS) from China PR* dated 6<sup>th</sup> July 2005, the Authority notes the scope of the product under consideration in that investigation included only one accelerator – CBS whereas the present investigation includes two types of accelerators – CBS and NS. Therefore, a simple comparison between the two investigations will not be appropriate. It is also noted that it has not been established how treating Sulphenamide accelerators as a single product under consideration in the present investigation has resulted in the examination of data in a manner that would lead to any distortion or misrepresentation of facts. Separate determinations of dumping margin, injury margin and price undercutting have been made for CBS and NS individually.
12. In view of the foregoing, the Authority confirms the scope of the product under consideration as below.

*“3. The product under consideration in the present investigation is Sulphenamides Accelerators. Based on eventual end applications, there are four different types of Sulphenamides accelerators produced in India which are as listed below: -*

- a. CBS - N-cyclohexyl-2-benzothiazolesulfenamide
- b. NS - N-tert-butyl-2-benzothiazole sulfenamides
- c. DCBS - N, N'-Dicyclohexyl-2-benzothiazole sulfenamides
- d. MOR - N-oxydiethylene-2-benzothiazole sulphenamides

*4. The scope of the product under consideration excludes MOR and DCBS Sulphenamides Accelerators. The scope of the product under consideration only includes CBS and NS form of the product under consideration.”*

13. The Authority notes that the customs classification is only indicative and not binding on the scope of the product under consideration. Imports of the product under consideration, wherever reported, have been considered for the purpose of present determination.
14. There are no restrictions on the import of the product under consideration in India as it falls under Open General License.
15. The prescribed unit of measurement for the product under consideration is weight, expressed in kilogram (KG) or MT. The information in the application has been presented in the form of MT.

16. Rule 2(d) of the Rules provides the definition of like article as under:

*““like article” means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation.”*

17. The Authority notes that there is no known difference between the product under consideration exported from subject countries and the like article supplied by the domestic industry. The product under consideration produced by the domestic industry and imported from subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and consumers can use them interchangeably. The Authority therefore holds that the product produced by the domestic industry is a like article to the imported product.

**D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING.**

**D.1 Submission by opposing interested parties.**

18. The opposing interested parties has made the following submission with regard to the scope of the domestic industry and its standing.
- a. Support letter of Finorchem Industries Limited has not been shared with the other interested parties.
  - b. The Authority’s reliance on the alleged support of Finorchem Limited without disclosing it in terms of the prescribed Trade Notices (Trade Notice No. 13/2018 and Trade Notice No 14/2018) is inconsistent with the Authority’s procedural framework.
  - c. Designated Authority must require Finorchem Limited to submit the prescribed information with non-confidential versions. Until such compliance, the standing requirement under Rule 5(3) of the Anti-Dumping Rules, 1995 cannot be considered to be satisfied

**D.2 Submission by the applicant.**

19. The applicant has made the following submissions with regard to the scope of the domestic industry and its standing:
- a. Other than the applicant, there is one other producer of the subject goods in India, namely Finorchem Limited. The applicant has adequate standing to file the present application.
  - b. The production of the applicant constitutes [\*\*\*] % of the total Indian production in the period of investigation.
  - c. The applicant has not imported the product under consideration in the period of investigation from the subject countries.

- d. The applicant is not related to any exporters in subject countries or importers of the product under consideration into India.
- e. The applicant had sent communication to Finorchem Limited seeking their views on the application, but it did not respond to the communication sent.

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

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

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

- 21. The application has been filed by NOCIL Limited. As per the information on record, there is one other producer of the subject goods in India, namely Finorchem Limited. The Authority had sent communication to Finorchem Limited before initiating this investigation. Finorchem Limited has extended support for this application.
- 22. The Authority has examined the DG System transaction wise data and it is seen that the applicant producer has not imported the product under consideration in the period of investigation.
- 23. It is seen that NOCIL Limited is not related to any exporters of the product under consideration from the subject countries or any importer in India.
- 24. With regard to the interested parties’ argument that the Authority relied on the alleged support of Finorchem Limited without disclosing it in terms of the prescribed Trade Notices, the Authority observes that Finorchem Limited had provided a formal response indicating its support for the application. The Authority notes that Finorchem Limited expressed support for the application prior to initiation. However, Finorchem Limited has not provided information relevant to the Authority for the purpose of the present investigation and, therefore, the support of the producer has not been considered.
- 25. Based on information on record, the Authority has determined the Indian production and share of NOCIL Limited in Indian production as follows:

SN	Particulars	Production	Share (%)
1	Production of NOCIL Limited	***	***
2	Production of other producer		
i	Finorchem Limited	***	***
3	Total/gross Indian production	***	***

26. The Authority notes that the production of NOCIL Limited accounts for more than 50% share in the Indian production. The Authority notes that even without considering the support of the other domestic producer, NOCIL Limited satisfies the criteria of standing.
27. Considering the information available on record, it is seen that NOCIL Limited accounts for a major proportion of Indian production in terms of the Rules. NOCIL Limited is an eligible domestic industry within the meaning of Rule 2(b) and satisfies the criteria of standing in terms of Rule 5(3) of the Rules. Hence, the Authority holds that NOCIL Limited constitutes domestic industry within the meaning of the Rules.

#### E. MISCELLANEOUS SUBMISSIONS:

##### E.1. Submission by opposing interested party.

28. The opposing interested parties have made the following submission with regard to other miscellaneous issues:
- Contrary to Rule 5(3A), the Authority has not provided a reasoned analysis or findings in writing for deviation from the 12-month period of investigation.
  - This constitutes a jurisdictional issue which constitutes the very foundation of a case. Authority should find the initiation notification *ex facie* invalid and terminate this investigation for being violative of Rule 5(3)(ii).
  - The Authority should provide a reasoned ruling on this jurisdictional issue alone similar to its approach in the investigation concerning *Aluminium Radiators Aluminium Radiator Sub-Assemblies and Aluminium Radiator Core*.
  - When a statute requires reasons to be recorded in writing, such reasons must be meaningful, self-explanatory, and demonstrate application of mind. They cannot be vague, generic, or speculative (*Union of India v. Anand Mohan Sharan & Anr, the Delhi High Court*).
  - Reasons which do not enable the link to be drawn between the material on which the conclusion is to be drawn, and the actual conclusion are not, therefore, reasons at all (*UOI v. Mohan Lal Capoor*).
  - The requirement to record and communicate reasons is an indispensable component of natural justice, and failure to do so vitiates the decision-making process (the Hon'ble Supreme Court in *Siemens Engineering v. Union of India*).
  - The WTO Appellate Body has in several findings underscored the importance of transparency and due process in trade remedy investigations. The Appellate Body

has held several times that the Authorities must make known the essential basis for initiating proceedings.

- h. Neither the applicant industry nor the Authority has shared the import data with the interested parties. This is in violation of decision of Hon'ble CESTAT in *Exotic Décor Pvt. Ltd. And Ors. V. Designated Authority, Directorate General of Anti-Dumping & Allied Duties*.
- i. Not sharing import data is violative of the principles of natural justice.
- j. A revised application may be provided with the import data so that meaningful hearing can be held and relevant submissions can be made by all interested parties.
- k. Country wise estimates of normal value have not been provided country wise, contrary to requirement under Trade Notice No. 10/2018.
- l. Research and development expenses has not been provided by the applicant, contrary to requirement under Trade Notice No. 10/2018.
- m. Funds raised for equity and loans and advances have not been provided by the applicant, contrary to requirement under Trade Notice No. 10/2018.
- n. Cost and sales per unit for exports have not been provided by the applicant, contrary to requirement under Trade Notice No. 10/2018.
- o. Details of purchase of the product under consideration (quantity and value) has not been provided by the applicant, contrary to requirement under Trade Notice No. 10/2018.
- p. The applicant has claimed unwarranted confidentiality within their application on the consolidated estimated numbers of production and sales by other producers, demand and production process.

**E.2. Submission by the applicant:**

- 29. The applicant has made the following submissions with regard to other miscellaneous issues:
  - a. The applicant proposed a 12-month period of investigation from 1st April 2023 to 31st March 2024. As this period had become more than six months old at the time of initiation, the Authority extended the period of investigation by three months up to 30th June 2024 to ensure compliance with the Anti-Dumping Rules.
  - b. A comparison between July 23 to June 24 and April 23 to June 24 shows that the import volume and price are at a similar level and the applicant has suffered similar injury.
  - c. There exists no requirement of notifying the reasons for a period of investigation that is different than 12 months, in the public notice of initiation. This recording may be in public notice or by the Authority's consideration.
  - d. The Authority considered the period of investigation to be appropriate as it is the most recent period (within 6 months from the date of initiation) and includes a complete financial year, thereby preventing any skewed analysis.
  - e. The Authority has recorded the essential facts for initiating this investigation within the Initiation notification.

- f. The applicant has relied on market intelligence data for determining import volume and value. The data being third-party data, the applicant is not authorized to disclose.
- g. While the Authority over the course of investigation would have used DGCI&S data for the purpose of determining import volume and value, to have access to the same, the interested party could have requested the Authority by providing declaration for obtaining the same as per Trade Notice 07/2018 dated 15<sup>th</sup> March 2018.
- h. Anti-dumping application proforma (provided within Trade Notice No. 05/2021) and checklist (provided within Trade Notice No. 04/2021) do not require research and development expenses, funds raised, cost of sales per unit for export and details of purchase of the product under consideration to be provided within the application.
- i. The applicant had determined normal value within the application for China PR on the basis of both (a) its exports made to other countries and (b) constructed normal value on the basis of price paid or payable in India. Where normal value has been determined on the basis of applicant's exports, the normal value calculated was claimed confidential because disclosure of this normal value would have resulted in the disclosure of price of the applicant. Where normal value has been constructed on the basis of price paid or payable in India, the normal value has been provided in range.
- j. Interested party has raised comments on confidentiality for consolidated estimated number of production and sales by other producers, consolidated demand for subject goods and production process much later than the 7 day time period (from the date of circulation of the non-confidential version of the documents) prescribed in the initiation notification.
- k. With regard to the request for disclosure of estimated sales by other producer and demand of subject goods, demand for the product under consideration within India has been ascertained by the applicant based on the sum of domestic sales by the applicant and the other producer, and the imports from all sources into India. Since imports from all sources into India have already been disclosed, had the applicant disclosed the estimated sale of the other producer and the total demand in India, this would have allowed interested parties to determine the applicant's sales of subject goods during the injury period. The information on other producer's sale and demand in India has been provided in trend.

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

- 30. With regard to the submissions of the interested parties that no reason has been provided in writing for deviation from the 12-month period of investigation. Rule 5(3)(A) states as follows:

*“5(3A) The period of investigation shall,-*

- (i) Not be more than six months old as on the date of initiation of investigation;*
- (ii) Be for a period of twelve months normally and for reasons to be recorded in writing, the designated authority may consider a minimum of six months or maximum of eighteen months”*

31. The Authority notes that as per Rule 5(3)(A)(ii), there is no bar under the Anti-Dumping Rules on adopting a period of investigation greater than 12 months. With regards to interested parties argument on not providing a reasoned justification, the Authority notes that the following justification was provided within the initiation notification for deviating from the 12-month period of investigation to a 15-month period of investigation.

*“13. The period of investigation proposed by the applicant was 1<sup>st</sup> April 2023 – 31<sup>st</sup> March 2024 (12 months). The injury examination period covered the period April 2020 – March 2021, April 2021 - March 2022, April 2022 - March 2023 and the period of investigation.*

*14. The Authority has considered the period of investigation as 1<sup>st</sup> April 2023 to 30<sup>th</sup> June 2024 (which is a 15-month period). The period of investigation is appropriate, as it is most recent, within 6 months from the date of initiation, and includes a complete year of financial accounting period of the domestic industry. Further, the period considered will not lead to any skewed analysis. The injury examination period covers the period April 2020 - March 2021, April 2021 - March 2022, April 2022 - March 2023 and 1<sup>st</sup> April 2023 to 30<sup>th</sup> June 2024.”*

32. It is noted that, in accordance with the provisions of the anti-dumping rules, the Authority considers a period of twelve months as the standard period of investigation. The Rules empower the Authority, for reasons to be recorded in writing, to adopt a period of investigation of not less than six months and not exceeding eighteen months, as may be warranted by the facts and circumstances of the case. In several previous investigations, the Authority has adopted a period of investigation either shorter or longer than twelve months, depending upon the facts in each case. In the present matter, the domestic industry had submitted that adoption of a twelve-month period from July 2023 to June 2024 would have resulted in substantial practical difficulties in the preparation and verification of costing data. The domestic industry had also submitted that the import volume and prices during a fifteen-month period were comparable to those that would have prevailed in a twelve-month period, thereby ensuring that the impact of imports was not flawed.
33. The interested parties have neither disputed the factual correctness of the reasons furnished by the domestic industry nor provided reasons why considering 15 months as a period of investigation is inappropriate.

34. The period of investigation in the present investigation is April 2023 to June 24. It is seen that had the period of investigation been considered as 1st July 2023 to 30th June 2024 as the period of investigation, the 12 months would not have included a complete year of financial accounting period of the domestic industry. This would have made it administratively difficult for the domestic industry to furnish audited financial data and would have affected the proper determination of dumping margin, injury margin and the overall injury analysis. The 15-month period of investigation ensures that a complete year of financial accounting period of the domestic industry is covered.
35. It is also seen that choosing the period of investigation as 1st April 2023 to 31st March 2024 over 1st July 2023 to 30th June 2024 (the 12 month period) would not lead to a skewed analysis since a comparison between July 23 to June 24 and April 23 to June 24 shows that the import volume and price are at a similar level.
36. The Authority found that the selected period facilitated ease of data preparation and verification without causing any distortion or skewness in the analysis, given the comparable volume and value of imports during the relevant period. Accordingly, the Authority holds that the adoption of fifteen-month period of investigation is appropriate in the present case.
37. With regard to the interested parties argument on the justification for deviation to be provided within the initiation notification, the Authority notes that the rules do not prescribe for reasons to be provided for adopting a period shorter or longer than twelve months, specifically within the initiation notification. The Authority considers it sufficient that reasons have been explained in the final determination. The same is also supported by the decision of High Court in Soda Ash. In any case, the Authority had further explained in detail its already stated reasons within the initiation notification, disclosure statement, and the interested parties have had sufficient opportunity to comment on the appropriateness of the same.
38. With regard to the interested parties argument on the applicant and the Authority not sharing import data, the Authority notes that the applicant has submitted that it has relied upon market intelligence to compute the total volume and value of imports from all countries and the same has been made available to other interested parties. The Authority has relied upon DG Systems data for computation of total volume and value of imports. Since transaction wise data procured by the Authority is not in public domain and the same is not shared by the Government of India with public at large, the same has not been disclosed to any interested party, including the domestic industry. The information relevant to the Authority under the rules is the volume and price of imports. The transaction-wise data only constitutes information in the nature of supporting information relevant to the adequacy and accuracy of claims made by the applicant. Similarly, the information collected from the DGCI&S is only for the purpose of quantifying volume and value of imports, and the same has been appropriately disclosed in the disclosure

statement. The interested parties have had enough opportunity to defend their interests on the information relevant to the investigation and determination.

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

*“7. Confidential Information:*

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

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

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

40. 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 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, landed price, 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 injury period, the same has been provided on an indexed basis. Wherever information pertains to a single year, the same has been disclosed in range, if such disclosure does not compromise the confidentiality of information. The interested parties have claimed confidentiality on various supporting documents & information, wherever such information has not been publicly disclosed by them. Further, in some cases, an interested party has not publicly disclosed its annual reports and financial statements as 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 and have given reasons why summarisation is not possible.

41. The Authority has consistently allowed interested parties to claim confidentiality in such information and documents provided by domestic industries, foreign producers and other interested parties in all 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.

**F. NORMAL VALUE, EXPORT PRICE & DUMPING MARGIN FOR THE SUBJECT COUNTRIES**

**F.1 Submission by opposing interested parties.**

42. The opposing interested parties have made the following submissions with regard to normal value, export price and dumping margin:
- a. The dumping margins claimed by the applicant are exaggerated and unsubstantiated.
  - b. Determination of dumping margin must be based on verified responses of cooperating exporters from the USA and EU.

**F.2 Submission by the applicant**

43. The following submissions have been made by the domestic industry with regard to normal value, export price and dumping margin:
- a. China PR should be considered a non-market economy.
  - b. Should it be contended that Article 15(a)(ii) of China PR's Accession Protocol has already ceased and therefore the same cannot be applied to the present case, Article 15(a)(i) is still applicable and must be considered for determination of normal value for China PR.
  - c. The obligation under 15(a)(i) of China PR's Accession Protocol require the criterion stipulated in para 8 of Annexure I of the Rules to be satisfied by the exporter.
  - d. Since Chinese producers are not entitled to market economy treatment, the Designated Authority should follow para 7 of Annexure I of the Rules for the determination of Normal Value.
  - e. The applicant under 'any other reasonable basis' had determined normal value for China PR on the basis of its export price to USA for CBS and its exports price to Japan for NS since these exports were sufficient in volume and profitable. In addition, normal value was also determined on the basis of cost of production of the applicant with reasonable addition of margins.
  - f. Normal value for EU and USA was determined on the basis of the applicant's export price to these countries respectively since these exports were sufficient in volume and profitable in nature.

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

44. Under section 9A(1)(c), the normal value in relation to an article means:

*i) The comparable price, in the ordinary course of trade, for the like article, when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or*

*ii) when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either:*

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

*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).*

*(b) 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 trans shipped 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.*

45. The Authority notes that the following exporters of the subject goods have filed exporter's questionnaire responses:

S. No.	Name of interested party
I	European Union
a.	LANXESS Belgium
II	USA
a.	LANXESS Corporation USA

**F.3.1 Determination of Normal Value and Export Price for China PR.**

**a. Normal value for China PR.**

46. The Authority notes the following relevant provisions with regard to the determination of normal value for China PR. Provisions under Para 7 and Para 8 of Annexure I to the Anti-Dumping Rules are as under:

*"7. In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in a market economy third*

country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duty adjusted, if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner [keeping in view the level of development of the country concerned and the product in question] and due account shall be taken of any reliable information made available at the time of the selection. Account shall also be taken within time limits, where appropriate, of the investigation if any made in a similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without unreasonable delay of the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.”

“8. (1) The term “non-market economy country” means any country which the designated authority determines as not operating on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise, in accordance with the criteria specified in subparagraph (3).

(2) There shall be a presumption that any country that has been determined to be, or has been treated as, a non-market economy country for purposes of an antidumping investigation by the designated authority or by the competent authority of any WTO member country during the three-year period preceding the investigation is a non-market economy country. Provided, however, that the non-market economy country or the concerned firms from such country may rebut such a presumption by providing information and evidence to the designated authority that establishes that such country is not a non-market economy country on the basis of the criteria specified in sub-paragraph (3)

(3) The designated authority shall consider in each case the following criteria as to whether: (a) the decisions of the concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values: (b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts: (c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and (d) the exchange rate conversions are carried out at the market rate. Provided, however, that where it is shown by sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated authority may

*apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph.*

*(4) Notwithstanding, anything contained in sub-paragraph (2), the designated authority may treat such country as a market economy country, on the basis of the latest detailed evaluation of relevant criteria, which includes the criteria specified in sub-paragraph (3), has been, by publication of such evaluation in a public document, treated or determined to be treated as a market economy country for the purposes of anti-dumping investigations, by a country which is a Member of the World Trade Organization."*

47. At the stage of initiation, the Authority proceeded with the presumption of treating China PR as a non-market economy country. Upon initiation, the Authority advised the producers/exporters in China PR to respond to the notice of initiation and provide information on whether their data/information could be adopted for normal value determination. The Authority sent copies of the market economy treatment/supplementary questionnaire to all the known producers/ exporters in China PR to provide relevant information in this regard.

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

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

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

*(i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;*

*(ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.*

*(b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO member may then use methodologies for identifying and measuring the subsidy benefit which*

*take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.*

*(c) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.*

*(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provision of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."*

49. It is noted that while the provision contained in Article 15 (a)(ii) of China's Accession Protocol has expired on 11th December 2016, the provision under Article 2.2.1.1 of WTO read with obligation under Article 15(a)(i) of the Accession Protocol require the criterion stipulated in para 8 of Annexure I of the Rules to be satisfied through information/data to be provided in the supplementary questionnaire on claiming the market economy status.
50. The Authority notes that none of the producers/exporters from China PR have filed the supplementary questionnaire to rebut this presumption as mentioned in para 8 of Annexure I of the Rules. Under these circumstances, the Authority has to proceed in accordance with para 7 of Annexure I of the Rules.
51. It is noted that paragraph 7 of Annexure I to the Rules stipulates three methods of constructing the normal value for non-market economies: (a) on the basis of price or constructed value in a market economy third country; (b) export price from a third country to other countries, including India; and (c) on any other reasonable basis. The Authority notes that under the provisions of paragraph 7 of Annexure-I to the AD Rules, the normal value must first be determined on the basis of the price or constructed value in a surrogate country, or the price of the exports from such country to other countries, including India. However, when such basis is not possible, only then the Authority can determine normal value on any other reasonable basis, including the price paid or payable in India.
52. In the application filed before the Authority, the applicant had submitted that data relating to cost and price in market economy third country is not available. With regard to the

price at which the product under consideration have been sold from the market economy third country to any other country, including India, the domestic industry had submitted that the product under consideration does not have a dedicated code globally and therefore, export price cannot be considered. Therefore, the domestic industry had claimed normal value based on its export price to third country. The domestic industry has additionally claimed normal value on the basis of price actually paid or payable in India, duly adjusted to include a reasonable profit margin. For initiation, the normal value had been determined based on price paid or payable in India, adjusted to include a reasonable profit margin, and the interested parties were asked to offer their comments on the methodology proposed by the applicant.

53. Since all interested parties, including domestic industry, have not provided any information on record which would allow determination of normal value based on price or constructed value in a market economy third country, the normal value could not be determined based on market economy. It is seen that while domestic industry has claimed normal value based on its exports to Japan, it has not established how these prices can be considered a reasonable basis for normal value. The domestic industry has not provided necessary information regarding the details of these export transactions, the number of customers to whom the sales were made, the terms and conditions of these sales, the nature of the transactions, the relationship, if any, with the customers, and whether such sales were made in the ordinary course of trade. No supporting evidence has been placed on record to verify the information provided. Therefore, the applicant's export price cannot be considered for determination of normal value. The Authority has determined normal value based on the price payable in India, having regard to the cost of production in India with reasonable profits. Separate normal values have been determined for CBS and NS. The normal value so determined is provided in the dumping margin table below.
- a. **Export price for China PR.**
54. No producer from China has cooperated. The export price for China PR has been determined based on facts available in terms of Rule 6(8) of the Rules. The net export price so determined is mentioned in the dumping margin table below.

### **F.3.2 Determination of normal value and export Price for USA.**

- a. **Normal value and export price for LANXESS Corporation USA.**
55. LANXESS Corporation USA, has sold \*\*\*MT of the subject goods having invoice value \*\*\* USD to unrelated customers in the domestic market during the POI. It is also noted from their response that the domestic sales are in sufficient quantity in the domestic market. To determine the normal value, the Authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to cost of production of subject goods. Based on the ordinary course of trade test, only positive domestic sales have been taken for determination of normal value, since the profitable sales were less than 80%.

56. LANXESS Corporation USA has claimed adjustments on account of inland transportation, credit cost and bank charges. The Authority has undertaken desk verification and examined the claims made by the LANXESS. The adjustments claimed by the LANXESS have been allowed after desk verification. Accordingly, normal value for LANXESS has been determined, and the same is mentioned in dumping margin table below.
57. During the POI, LANXESS Corporation USA, has sold \*\*\* MT subject goods of invoice value \*\*\* US\$ directly to India. The producer/exporter has claimed adjustments on accounts of ocean freight, insurance, inland transportation, port and other related expenses, credit cost and bank charges to arrive at export price at ex-factory level. The Authority has undertaken desk verification and examined the claims made by the respondent. The adjustments claimed by the respondent have been allowed. The export price so determined is given below in the dumping margin table.
- a. **Normal value and export price for non-cooperative exporters/producers.**
58. The normal value and export price for all other non-cooperative producers/exporters from USA has been determined based on facts available in terms of Rule 6(8) of the Rules. The normal value so determined is mentioned in the dumping margin table below.

**F.3.3 Determination of normal value and export price for European Union.**

- a. **Normal value and export price for Lanxess Belgium.**
59. LANXESS Belgium, has sold \*\*\* MT of the subject goods having invoice value \*\*\* Euro to unrelated customers in the domestic market during the POI. It is further noted that they have sold \*\*\* MT to related customers for self consumption having invoice value \*\*\* Euro. It is noted that the domestic sales are in sufficient quantity in the domestic market. To determine the normal value, the Authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to cost of production of subject goods. Based on the ordinary course of trade test, only positive domestic sales have been taken for determination of normal value, since the profitable sales were less than 80%.
60. LANXESS Belgium, has claimed adjustments on account of inland transportation, credit cost and bank charges. The Authority has undertaken desk verification and examined the claims made by the respondent. The adjustments claimed by the respondent have been allowed. Accordingly, normal value for LANXESS Belgium, has been determined, and the same is mentioned in dumping margin table below.
61. During the POI, LANXESS Belgium has sold \*\*\* MT subject goods of invoice value \*\*\* US\$ directly to India. The producer/exporter has claimed adjustments on accounts

of ocean freight, insurance, inland transportation, port and other related expenses, credit cost and bank charges to arrive at export price at ex-factory level. The Authority has undertaken desk verification and examined the claims made by the respondent. The adjustments claimed by the respondent have been allowed. The export price so determined is given below in the dumping margin table.

a. **Normal value and export price for non-cooperative exporters/producers.**

62. The normal value and export price for all other non-cooperative producers/exporters from European Union has been determined based on facts available in terms of Rule 6(8) of the Rules. The normal value and export price so determined is mentioned in the dumping margin table below.

**F.3.4 Dumping Margin.**

63. The weighted average normal value / constructed normal value, the weighted average export price and dumping margin determined in the present investigation are as follows. It is seen that the dumping margin for the subject countries is above de minimis, and is significant.

SN	Particular	Normal Value /CNV (USD/MT)	Net Export Price (USD/MT)	Dumping Margin (USD/MT)	Dumping Margin %	Dumping Margin Range
<b>China PR</b>						
a	All producers and exporters	***	***	***	***	30-40
<b>United States of America</b>						
a	LANXESS Corporation USA	***	***	***	***	80-90
b	Any other	***	***	***	***	110-120
<b>European Union</b>						
a	LANXESS	***	***	***	***	70-80
b	Any other	***	***	***	***	100-110

**G. ASSESSMENT OF INJURY AND CAUSAL LINK.**

**G.1 Submission by opposing interested parties.**

64. The opposing interested parties have made the following submissions with regard to assessment of injury and causal link:
- a. The applicant has also failed to conduct a proper product-wise injury analysis, despite the existence of distinct products with different characteristics and demand patterns. Clubbing of products masks the actual performance and renders the injury analysis flawed.
  - b. The applicant's own data shows improvement in production, sales, and prices during the period of investigation, contradicting allegations of injury.
  - c. The data on record demonstrates that there is no volume injury to the applicant. Demand for the product under consideration increased significantly during the injury period, while the applicant's domestic sales increased at a higher rate than demand, clearly indicating that the applicant outperformed the market.
  - d. The applicant has itself admitted during the oral hearing that it has not suffered any volume injury. This admission is corroborated by the verified data placed on record.
  - e. Production, installed capacity, capacity utilisation, domestic sales, exports, productivity and wages of the applicant has all shown consistent improvement during the injury period, including the period of investigation. These trends negate any allegation of contraction, displacement or suppression of the domestic industry due to imports.
  - f. Imports from the subject countries have co-existed with domestic production and have not displaced domestic sales. On the contrary, the applicant has increased its presence in the Indian market and has expanded its sales.
  - g. The allegation of price undercutting, price suppression or price depression is without basis. The data demonstrates that import prices and the applicant's selling prices have broadly moved in the same direction over the injury period.
  - h. The applicant has consistently increased its selling prices in the domestic market as well as in export markets, which establishes that it retained pricing power and was not constrained by imports from the subject countries.
  - i. Any marginal decline in prices during the period of investigation is also reflected in the applicant's export prices, where there is no allegation of dumping. This clearly shows that such price movement is attributable to global market conditions rather than imports into India.
  - j. Even during the period of investigation, the applicant's prices remained substantially higher than base-year levels, thereby ruling out any claim of price suppression or price depression.
  - k. The alleged decline in profitability of the applicant, if any, is attributable to internal factors, particularly the increase in interest costs and depreciation expenses during the injury period.

- l. The increase in interest and depreciation costs is a consequence of the applicant's own capital expansion and investment decisions.
- m. The allegation of idle capacity is factually incorrect. While installed capacity remained constant, capacity utilisation increased, indicating improved efficiency and absorption of capacity.
- n. Any increase in inventories is proportionate to increased production and sales volumes and is a normal commercial outcome. The applicant has not established that such inventories are abnormal or unsold due to imports.
- o. The applicant has failed to establish a causal link between imports from the subject countries and the alleged injury. It has not segregated or excluded the effects of rising costs, capacity expansion, global price trends or imports from non-subject countries.
- p. There is no volume injury, price injury and causal link between the imports from the subject countries and the alleged injury to the applicant, and therefore the statutory requirements under Rule 11 are not satisfied.

**G.2 Submission by the applicant.**

65. The applicant has made the following submissions with regard to assessment of injury and causal link:
- a. The capacities in China PR for rubber chemicals far exceed the demand in the country.
  - b. China is the world's largest producer of CBS. One prominent producer, Zhengzhou Double Vigour Chemical Product Co., Ltd, has a production capacity of 70,000 MT, which alone is four times greater than the total demand in India.
  - c. The period 2023-24 has seen a sluggish demand for rubber chemical (outside India) due to sharp government spending cuts in the United States of America and the latest struggles of recession-stricken Europe.
  - d. The subdued demand in many markets has resulted in pressure on volume and price dynamics. India, being the third largest market for rubber chemicals.
  - e. While the imports from the subject countries were always below the cost of sales of the applicant, the difference has steeply declined in the last 2 years.
  - f. In 2022-23, while the cost of sales increased by around \*\*\*, the import price remained at almost same level.
  - g. In order to keep imports in check, the applicant reacted to price pressure to keep its customer bases intact. As a result, while the imports declined and the domestic sales of the applicant increased, the applicant suffered significant losses.
  - h. In the period of investigation, despite decrease in demand, the imports have increased again, and the domestic sales of the applicant declined.
  - i. The demand for the product increased in 2021-22 when the domestic market was recovering from the ill effects of Covid. The demand declined marginally in 2022-23 and increased again in the period of investigation.
  - j. Import volume from the subject countries in absolute terms increased in 2021-22, marginally declined in 2022-23 and increased again in the period of investigation.

- k. Import volume from the subject countries in relation to production and consumption has declined over the injury period since the applicant sacrificed profits to keep imports in check.
- l. The imports are undercutting the prices of the applicant.
- m. Over the entire injury period, the applicant's selling price has been below the cost of sales of the applicant. While the cost of sales has increased over the injury period by 33 index points, the selling price has not increased at the same rate. When seen over the injury period, the selling price of the applicant has been suppressed.
- n. The PCN wise landed price of imports are below applicant's selling price of CBS and NS in the period of investigation.
- o. The applicant has expanded capacity in 2021-22 and the capacity has remained constant thereafter.
- p. The capacity utilization of the applicant increased till 2022-23 but has declined sharply in the period of investigation.
- q. The production and domestic sales of the applicant increased till 2022-23 but has declined in the period of investigation
- r. The inventories with the applicant sharply increased almost by \*\*\*% in the period of investigation as compared to base year.
- s. The market share of the subject imports declined marginally in 2021-22 but remained constant thereafter.
- t. The applicant's profitability declined in 2021-22 and turned into losses in 2022-23. The applicant continued to suffer from severe losses in the period of investigation. Additionally, the applicant's PBIT also turned into losses during this period.
- u. The cash flow of the applicant declined in 2021-22 and turned into negative in 2022-23. However, the applicant cash flow increased in the period of investigation. Despite the cash flow increased, it is marginal as compared to base year.
- v. The return on investment of the applicant has also declined over the injury period and has turned negative from 2022-23.
- w. The Hon'ble CESTAT in the matter of Forum of *Acrylic Fibres vs DA* had detailed how deterioration in performance of the applicant in respect of profit, cash profit and return on investment clearly establishes injury being suffered by the applicant.
- x. The applicant has negative growth in the period of investigation in terms of various price and volume parameters.
- y. The applicant ability to raise capital investment has severely suffered.
- z. The dumping margin is more than de-minims level and significant.
- aa. The present investigation is conducted for the product under consideration and not CBS and NS separately. Therefore, demand is to also be calculated for the product under consideration as a whole and not selectively for each grade.
- bb. Despite have sufficient capacity to cater more than \*\*\*% of the Indian demand in the period of investigation, dumped imports have restricted this sufficiency to a mere \*\*\*%.
- cc. The applicant is in no position to expand capacity as on date but rather to save its own business from collapsing because of dumped imports from subject countries.

- dd. It is not necessary for all parameters to show injury for the purpose of anti-dumping duty to be applied.
- ee. Employment and wages are dependent on several other parameters and not reflective of the impact of dumping on the applicant. Hiring & firing of employees is the last resort situation for the applicant.
- ff. On the submission that the injury is due to depreciation and interest cost, the share of interest cost is only \*\*\*% of the total cost of applicant. The depreciation cost is only \*\*\*% of the total cost of the applicant. Therefore, these cannot be a cause of injury to the applicant.

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

- 66. Rule 11 of Antidumping Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “... *taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on the domestic producers of such articles...*”. In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Anti-Dumping Rules.
- 67. 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 to the Rules.
- 68. The Authority has taken note of the various submissions made by the domestic industry and the other interested parties on injury and causal link. The submissions made by interested parties with regard to injury and causal link, which have been considered relevant by the Authority are examined and addressed as under.
- 69. With regard to the submissions of the other interested parties that the export price of the applicant has also declined which shows that it was global price decline, the domestic industry has submitted that its exports to the subject countries are at prices higher than the prices at which imports are being made into India from these subject countries. The Authority notes that its examination is restricted to the segregated data pertaining to the

domestic operations of the applicant. An analysis of the data over the injury period shows that both domestic prices and export prices have, in fact, increased. However, the degree of increase in export prices is higher than the increase in domestic prices. Based on the responses filed by producers from the European Union and the United States of America, it is observed that exports to the Indian market are being made at dumped prices. Accordingly, the submission cannot be accepted.

70. Interested parties have claimed that decline in profitability of the domestic industry coincides with increase in depreciation cost and interest cost. The Authority notes that the share of interest cost is only \*\*\*% in the period of investigation. Similarly, depreciation is only \*\*\*% of the total cost in the period of investigation. With such low share in the overall cost of production, these factors could not have been a cause of injury to the domestic industry. It is also seen that the cash profits, profit before interest, profit before interest & depreciation and return on investment of the domestic industry have also declined. Therefore, depreciation and interest cost cannot be the sole reason for injury caused to the domestic industry.

SN	Particulars	Units	2020-21	2021-22	2022-23	POI
1	Interest cost	Rs/MT	***	***	***	***
2	Trend	Indexed	100	79	84	126
3	Depreciation	Rs/MT	***	***	***	***
4	Trend	Indexed	100	106	123	119
5	Cost of Sales	Rs/MT	***	***	***	***
6	Trend	Indexed	100	130	154	133
7	Share of interest	%	***	***	***	***
8	Trend	Indexed	100	57	50	93
9	Share of depreciation	%	***	***	***	***
10	Trend	Indexed	100	82	80	90

71. Interested parties have made various submissions on cumulative assessment. Article 3.3 of the WTO Agreement and para (iii) of the Annexure II of the Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigations, the Authority will cumulatively assess the effect of such imports, in case it determined that:
- The margin of dumping established in relation to the imports from each country is more than two percent expressed as a percentage of export price and the volume of the imports from each country is three percent (or more) of the import of the like article or where the export of individual countries is less than three percent, the imports collectively account for more than seven percent of the imports of the like article, and
  - Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic article.

72. The Authority notes that:
- The subject goods are being dumped into India from the subject countries. The margin of dumping from each of the subject countries is more than *de minimis* limits prescribed under the Rules.
  - The volume of imports from each of the subject countries is individually more than 3% of the total volume of imports.
  - Cumulative assessment of the effects of import is appropriate as the imports from the subject countries not only directly compete with the like articles offered by each of them but also the like articles offered by the domestic industry in the Indian market.
73. In view of the above, the Authority considers that it is appropriate to assess the effect of dumped imports of the subject goods from China PR, EU and USA on the domestic industry.
74. The Authority notes that it is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration, while some others may not. The Authority considers all injury parameters and, thereafter, determines whether the domestic industry has suffered injury or is likely to suffer injury due to dumping. The Authority has examined the injury parameters objectively considering the facts and arguments submitted by the domestic industry and other interested parties.

**G.3.1 Volume effect of the dumped imports**

**(a) Assessment of demand/apparent consumption.**

75. For the purpose of the present investigation, demand or apparent consumption of the product in India has been defined as the sum of domestic sales of the domestic industry, domestic sales of other the India producer and imports from all sources. The demand so assessed is given in the table below.

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI(A)
1	Sales of domestic industry	MT	***	***	***	***
2	Trend	Indexed	100	127	131	133
3	Sale of other Indian producer	MT	***	***	***	***
4	Trend	Indexed	100	592	638	867
5	Imports from subject countries	MT	9,995	10,148	9,190	10,934
6	Trend	Indexed	100	102	92	109
7	Imports from other countries	MT	63	10	17	12
8	Trend	Indexed	100	16	26	19
9	Demand/consumption	MT	***	***	***	***
10	Trend	Indexed	100	114	109	125

76. It is seen that demand for the product increased in 2021-22, marginally declined in 2022-23 and thereafter increased again in the period of investigation. The demand has increased over the injury period.

**(b) Import volume and share of the subject countries.**

77. With regard to the volume of imports, the Authority is required to consider whether there has been a significant increase in the dumped imports from subject countries, either in absolute terms or relative to production or consumption in India. The same is analyzed in the table below.

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI(A)
1	Subject countries	MT	9,995	10,148	9,190	10,934
2	Other countries	MT	63	10	17	12
3	Imports from subject countries in relation to					
a	India production	%	***	***	***	***
b	Trend	Indexed	100	68	58	66
c	Indian consumption	%	***	***	***	***
d	Trend	Indexed	100	89	84	87
e	Total imports	%	***	***	***	***
f	Trend	Indexed	100	101	100	101

78. It is seen that imports from subject countries increased in 2021-22, declined in 2022-23 and thereafter increased again in the period of investigation. The imports have increased over the injury period. The decline in demand in 2022-23 caused imports from subject countries to also decline in the same period.

79. It is seen that the imports in relation to production and consumption declined in 2021-22 and 2022-23. Imports in relation to production and consumption thereafter increased again in the period of investigation. The Authority notes domestic industry's claim that imports declined in relative terms till 2022-23 since the domestic industry sacrificed their profits to keep imports in check.

80. Imports in relation to total imports remained the same till the period of investigation.

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

81. With regards to the effect of the dumped imports on prices of the domestic industry, 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 prices or prevent price increases, 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 subject countries has been

examined with reference to price undercutting, price suppression and price depression, if any. For the purpose of this analysis, the cost of production and net sales realization (NSR) of the domestic industry have been compared with the landed price of imports of the subject goods from subject countries.

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.
83. The Authority has first compared the selling price of the domestic industry for both the PCNs and then weighted average comparison has been made. The weighted average selling price has been calculated considering selling price of each of the PCN and the associated weight of imports for each PCN.

**CBS**

SN	Particulars	Unit	China PR	EU	USA	Weighted
1	Import volume	MT	5,621	122	504	6,247
2	Net sales realization	Rs/MT	***	***	***	***
3	Landed price	Rs/MT	2,59,001	2,83,321	3,05,568	2,62,332
4	Price undercutting	Rs/MT	***	***	***	***
5	Price undercutting	%	***	***	***	***
6	Price undercutting	Range %	10-20	0-10	0-10	0-10

**NS**

SN	Particulars	Unit	China	EU	USA	Weighted
1	Import volume	MT	6,238	1,004	179	7,421
2	Net sales realization	Rs/MT	***	***	***	***
3	Landed price	Rs/MT	2,72,851	3,04,388	1,15,352	2,73,311
4	Price undercutting	Rs/MT	***	***	***	***
5	Price undercutting	%	***	***	***	***
6	Price undercutting	Range %	20-30	10-20	100-200	10-20

**PUC**

SN	Particulars	Unit	China	EU	USA	Weighted
1	Landed price	Rs/MT	2,65,812	3,02,107	2,55,630	2,68,293
2	Price undercutting	Rs/MT	***	***	***	***
3	Price undercutting	%	***	***	***	***
4	Price undercutting	Range %	10-20	0-10	20-30	10-20

84. The Authority notes that the landed price for each of the subject countries is significantly below the selling price of the domestic industry. The imports are undercutting the prices

of the domestic industry. The price undercutting is positive despite the domestic industry selling at losses.

**b. Price suppression/depression.**

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

86. The Authority has compared the selling price and cost of the domestic industry on average basis (for PUC as a whole and not for individual PCN). For calculating weighted average selling price and cost of sales, the associated weight of domestic industry's sales for each PCN has been considered.

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI(A)
1	Cost of sales	Rs./MT	***	***	***	***
2	Trend	Indexed	100	130	154	133
3	Net selling price	Rs./MT	***	***	***	***
4	Trend	Indexed	100	124	135	121

87. It is seen that whereas both the cost of sales and selling price increased over the injury period, the increase in the selling price was far lower than the increase in the cost of sales.

88. In view of the PCNs, the comparison has been additionally made for each grade.

SN	Particulars	Unit	CBS	NS	PUC
1	Cost of sales	Rs/MT	***	***	***
2	Landed price	Rs/MT	2,62,332	2,73,311	2,68,293

89. It is seen that the landed price is significantly below the cost of sales of both the PCNs.

90. The Authority notes that the imports were thus suppressing the prices of the domestic industry in the market and preventing the domestic industry from charging adequate remunerative prices.

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

91. Annexure II to the Rules requires that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on domestic producers of such products. With regard to consequent impact of dumped imports on domestic producers of such products, the Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on

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

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

92. The capacity, production, sales and capacity utilization of the domestic industry over the injury period is given in the following table:

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI (A)
1	Capacity	MT	***	***	***	***
2	Trend	Indexed	100	108	108	108
3	Production	MT	***	***	***	***
4	Trend	Indexed	100	128	135	132
5	Capacity Utilization	MT	***	***	***	***
6	Trend	Indexed	100	118	125	122
7	Domestic sales	MT	***	***	***	***
8	Trend	Indexed	100	127	131	133
9	Export sales	MT	***	***	***	***
10	Trend	Indexed	100	127	66	141

93. Based on the above, the Authority notes that:

- a. The domestic industry expanded its capacity in 2021-22. The capacity remained same thereafter till the period of investigation.
- b. The capacity utilization of the domestic industry increased till 2022-23 and thereafter declined in the period of investigation. Despite sufficient demand for the product, the domestic industry is operating with significant low-capacity utilization.
- c. The production of the domestic industry increased till 2022-23 but declined in the period of investigation.
- d. Despite increase in demand in the period of investigation the domestic industry's production declined. Whereas the domestic industry is holding unutilized production capacities, imports are holding predominant market share.
- e. The domestic sales of the applicant increased till 2022-23 but have declined in the period of investigation. The sales volumes of the domestic industry are materially lower than it could have achieved, considering the demand for the product and capacities with the domestic industry.

**b. Market share.**

94. The market share of the domestic industry, other producers in India and imports of the products into India is shown in the table below:

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI (A)
1	Domestic industry	%	***	***	***	***
2	Trend	Indexed	100	111	120	106
3	Other domestic producers	%	***	***	***	***
4	Trend	Indexed	100	518	584	691
5	Subject countries	%	72	64	60	63
6	Trend	Indexed	100	89	84	87
7	Other countries	%	***	***	***	***
8	Trend	Indexed	100	14	24	15

95. It is observed that the market share of the subject imports declined till 2022-23, it has increased in the period of investigation. The subject imports continue to command a predominant share of the Indian market. This is despite the existence of substantial unutilised production capacities with the domestic industry.

96. It is observed that the market share of the domestic industry increased till 2022-23, it has declined in the period of investigation. The overall market share of the domestic industry remains significantly low when viewed in relation to its installed capacity. The subject imports have been able to capture and retain a significant share of the Indian market by offering low-priced imports, thereby limiting the ability of the domestic industry to utilise its capacity. As a result, the domestic industry continues to suffer from substantial unutilised production capacities.

**c. Inventories.**

97. Information with regard to inventory is given below.

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI (A)
1	Opening inventory	MT	***	***	***	***
2	Trend	Indexed	100	71	74	163
3	Closing inventory	MT	***	***	***	***
4	Trend	Indexed	100	105	230	167
5	Average inventory	MT	***	***	***	***
6	Trend	Indexed	100	85	139	165

98. It is seen that the average inventories declined in 2021- 22, increased in 2022-23 and further increased in period of investigation.

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

99. Profitability, return on capital employed and cash profits of the domestic industry over the injury period are given in the table below: -

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI (A)
1	Profit/(Loss)	Rs/MT	***	***	***	***
2	Trend	Indexed	100	60	(88)	(12)
3	Profit/(Loss)	Rs Lakhs	***	***	***	***
4	Trend	Indexed	100	75	(115)	(17)
5	PBIT	Rs Lakhs	***	***	***	***
6	Trend	Indexed	100	76	(111)	(14)
7	Cash profit	Rs Lakhs	***	***	***	***
8	Trend	Indexed	100	88	( 58)	20
9	Return on investment	%	***	***	***	***
10	Trend	Indexed	100	72	(110)	(14)

100. It is seen that

- a. The domestic industry's profitability declined in 2021-22 and turned into losses in 2022-23. The domestic industry has continued to suffer losses in the period of investigation, even though the extent of losses reduced in the period of investigation.
- b. The domestic industry has also suffered loss before interest in the period of investigation, even though the same was positive in first two years.
- c. Cash profit of the domestic industry declined in 2021-22 and turned into negative in 2022-23. Even though the cash flow became positive in the period of investigation, the levels of cash profits in the period of investigation were much below the levels prevalent in 2020-21 and 2021-22.
- d. The return on investment has declined and is negative in the period of investigation.

**e. Employment, productivity and wages.**

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

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI(A)
1	No. of employees	No.	***	***	***	***
2	Trend	Indexed	100	125	125	100
3	Productivity per employee	MT/No.	***	***	***	***
4	Trend	Indexed	100	102	108	132
5	Productivity per day	MT/Days	***	***	***	***
6	Trend	No.	100	128	135	132
7	Wages	Rs Lacs	***	***	***	***
8	Trend	Indexed	100	125	136	125

102. It is seen that:

- a. Number of employees of the domestic industry increased in 2021-22, remained the same thereafter in 2022-23 and declined in the period of investigation.
- b. Productivity per employee has increased over the injury period.
- c. Productivity per day increased in 2022-23 and remained same thereafter till the period of investigation.
- d. Wages paid by the domestic industry increased till 2022-23 and thereafter declined in the period of investigation.

**f. Growth.**

103. The following table shows the growth parameters of the domestic industry over the injury period.

SN	Particulars	Unit	2021-22	2022-23	POI
1	Capacity	%	***	***	***
2	Production	%	***	***	***
3	Capacity Utilization	%	***	***	***
4	Domestic sales	%	***	***	***
5	Profit/(Loss) – Rs MT	%	***	***	***
6	Profit/(Loss) – Rs Lakhs	%	***	***	***
7	PBIT – Rs Lakhs	%	***	***	***
8	Cash profit – Rs Lakhs	%	***	***	***
9	Return on investment	%	***	***	***

104. Based on the above, the Authority notes that while the growth of the domestic industry in the period of investigation has been positive in price parameters, the domestic industry continues to suffer losses. It is also seen that despite there being a demand and supply gap, the production and domestic sales have recorded a negative growth in the period of investigation.

**g. Ability to raise capital investment.**

105. The Authority notes that the profitability of the domestic industry in the period of investigation is adverse. The domestic industry has suffered losses in the year 2022-23 and the period of investigation. It is also seen that the return on capital employed by the domestic industry is negative, which is clearly not sufficient to raise the working capital requirements.

**h. Factors affecting prices.**

106. The Authority notes that the landed price of imports for both the PCNs is found to be below the selling price of the domestic industry. Domestic industry has suffered losses and landed price of subject imports has suppressed the prices of domestic industry, leading to the domestic industry suffering significantly on both volume and price parameters. Therefore, the dumped imports are a significant factors affecting the prices of the domestic industry.

**i. Magnitude of dumping.**

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

**G.3.5 Conclusion on injury.**

108. The examination of the imports of the subject product and performance of domestic industry shows that:
- a. Imports from subject countries in absolute terms increased in the period of investigation and is highest.
  - b. Imports from subject countries in relation to production and consumption increased in the period of investigation.
  - c. The landed price for each of the subject countries is significantly below the selling price of the domestic industry in the period of investigation, resulting in positive price undercutting.
  - d. While both the cost of sales and selling price increased over the injury period, the increase in the selling price was far lower than the increase in the cost of sales. The prices of the domestic industry are suppressed.
  - e. The PCN wise landed price is below the cost of sales of the domestic industry.
  - f. The dumped imports have suppressed the prices of the domestic industry.
  - g. The capacity utilization of the domestic industry declined in the period of investigation. Despite sufficient demand for the product, the domestic industry is operating with significantly low-capacity utilization.
  - h. The production of the domestic industry declined in the period of investigation. Despite increase in demand in the period of investigation, the domestic industry's production declined.
  - i. The domestic sales of the domestic industry declined in the period of investigation.
  - j. The domestic industry's market share has reduced in the period of investigation, and that of the subject countries have increased. The domestic industry is unable to increase its market share commensurate with its installed capacity.
  - k. Average inventory with the domestic industry has increased in the period of investigation.
  - l. The domestic industry has suffered financial losses, cash losses and negative return on capital employed. The losses have declined in the period of investigation but the industry continues to suffer.
  - m. While the growth of the domestic industry in the period of investigation has been positive in price parameters, the domestic industry continues to suffer losses. Further, despite there being a demand and supply gap, the production and domestic sales have recorded a negative growth in the period of investigation.
  - n. The domestic industry's ability to raise capital has been adversely impacted.
109. It is therefore concluded that the domestic industry has suffered material injury.

**H. NON-ATTRIBUTION AND CAUSAL LINK.**

110. The Authority examined whether any known factors other than the dumped imports has at the same time are injuring the domestic industry, and injury caused by these other factors should not be attributed to the dumped imports. It has been examined whether factors other than dumped imports could have contributed to injury to the domestic industry. The Authority notes neither the Act nor the Rules require dumping to be the sole cause of injury to the domestic industry for anti-dumping duty to be applied.
- a. Volume and price of imports from third countries.**
111. The Authority notes that apart from the subject countries, imports have not been reported in significant quantities from any other country. Therefore, the injury is not attributable to imports from any country other than the subject countries.
- b. Contraction of demand.**
112. The Authority notes that demand increased in 2021-22, marginally declined in 2022-23 and thereafter increased again in the period of investigation. The demand has increased over the injury period and therefore any injury to the domestic industry is not attributed to the contraction of demand.
- c. Changes in pattern of consumption.**
113. The Authority notes that there has been no material change in the pattern of consumption of the production under consideration, which could have caused injury to the domestic industry.
- d. Trade restrictive practices.**
114. The Authority notes that sales of the product under consideration are not restricted in any manner and no restrictive practices have been brought to the notice of the Authority.
- e. Developments in technology.**
115. The Authority notes that there has been no known material change in the technology for production of the product under consideration.
- f. Productivity.**
116. Productivity of the domestic industry increased in the period of investigation as compared to the base year. The Authority notes that in such a case injury to the domestic industry cannot be because of decline in productivity.
- g. Export performance.**
117. The Authority notes that the injury information examined hereinabove relates only to the performance of the domestic industry in terms of the domestic market. Thus, the injury suffered cannot be attributed to the export performance of the domestic industry.

**h. Performance of other products.**

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

**i. Conclusion on causal link.**

119. While other known factors listed under the Rules have not caused injury to the domestic industry, the Authority notes that the following parameters show that injury to the domestic industry is caused by the dumped imports.

- a. Imports from subject countries are at dumped prices.
- b. The PCN wise landed price of imports in the period of investigation has been below the selling price of the domestic industry resulting in positive price undercutting.
- c. The PCN wise landed price of imports in the period of investigation is below the cost of sales of the domestic industry, which has prevented the domestic industry from selling at adequate remunerative prices.
- d. As a result of the dumped imports, the financial performance of the domestic industry has been adversely impacted. The applicant has suffered losses in the period of investigation.
- e. Imports from subject countries have increased in absolute and relative terms in the period of investigation.
- f. The production and capacity utilization of the applicant are significantly below the applicant's installed capacity despite an increase in demand in the period of investigation.
- g. The domestic sales volumes of the domestic industry have declined in the period of investigation and are materially lower than what it could have achieved.
- h. The market share of the imports has increased and that of the domestic industry has declined in the period of investigation.

120. The Authority therefore holds that the injury to the domestic industry is caused due to dumping.

**I. MAGNITUDE OF INJURY MARGIN.**

121. The Authority has determined Non-Injurious Price for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The non-injurious price of the 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 utilization of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilization of production capacity over the injury period has been considered. It is ensured

that no extraordinary or non-recurring expenses are charged to the cost of production. A reasonable return @22% on average capital employed (i.e. average net fixed assets plus average working capital) for the subject goods was followed towards interest, tax and profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules.

122. Landed price for the cooperating producers/exporters has been determined based on the response filed. Applicable customs duties have been added to determine landed price of imports. For all the non-cooperative producers/exporters from the subject countries, the Authority has determined the landed price based on facts available.
123. Based on the weighted average landed price and weighted average non-injurious price determined as above, the injury margin for producers/exporters for subject countries has been determined by the Authority and the same is provided in the table below:

SN	Exporters	NIP (USD/MT)	Landed Value (USD/MT)	Injury Margin (USD/MT)	Injury Margin %	Injury Margin Range
1	<b>China PR</b>					
a	All producers and exporters	***	***	***	***	30-40
2	<b>United States of America</b>					
a	LANXESS Corporation USA	***	***	***	***	0-10
b	Any other	***	***	***	***	0-10
3	<b>European Union</b>					
a	LANXESS Belgium	***	***	***	***	30-40
b	Any other	***	***	***	***	50-60

**J. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES.**

**J.1 Submission by opposing interested parties.**

124. The opposing interested parties has made the following submissions with regard to Indian industry's interest and other issues:
- a. The PUC is a critical raw material for downstream industry. Increase in cost due to duties directly affects cost of tyre and auto components, therefore affecting transport, logistics, automotive and public mobility sectors.
  - b. There is a demand supply gap within India for CBS and particularly NS. This is followed by the fact that the applicant has refused to meet industry demand within oral hearing.
  - c. The domestic production of the product under consideration is limited and insufficient to meet the full demand of Indian rubber/tyre manufacturers.

- d. The tyre industry is already subject to anti-dumping duty on several critical raw materials with ongoing investigations on many others.
- e. Despite the tyre industry being one of India's major export earner, imposition of duty will lead to loss in export markets.
- f. Downstream industry for the product under consideration has far more workers employed than the number of workers engaged for the product under consideration. Imposition of duty can lead to significant job losses within the downstream industry.
- g. The applicant, despite duty previously being imposed on CBS being several years back, has not faced any closure of plants or capacity contractions. Rather, the applicant has continued to sustain operations and expand capacity.
- h. Approval being received for the applicant's Dhaej plant from the tyre industry is a non-negotiable requirement. Further, this delay in receiving approval is not attributable to the Respondent member companies.

**J.2 Submission by the applicant.**

125. The applicant has made the following submissions with regard to Indian industry's interest and other issues: -

- a. The primary raw material cost of tyres is natural rubber.
- b. Share of the product under consideration in the overall raw material cost, total cost and sales value of the tyre producers is 0.54%, 0.36% and 0.32% respectively.
- c. The cumulative impact of anti-dumping duty applicable on various raw materials used by the user industry on which either an investigation is ongoing, or measures are in force is a mere \*\*\*%.
- d. The applicant has sufficient capacity to cater more than \*\*\*% of India demand. This is in addition to the capacity with Finorchem Limited to produce around 2400 MT of the product under consideration.
- e. The applicant had increased its capacity of CBS from \*\*\* MT to \*\*\* MT in 2021-22 to meet the rising Indian demand. As the capacity increased, the increase in demand is now being met by dumped imports and the applicant is suffering losses. The applicant is under no position to further expand capacity as on date but is rather on a mission to save its own business
- f. In the previous investigations conducted on CBS, the Authority has continuously found the inability of other interested parties to substantiate the impact of anti-dumping on the user industry.
- g. The downstream industry is protected through anti-subsidy duty, BIS and import restrictions on tyres.
- h. The price of the product was higher in past. Even when anti-dumping duty is added to the import price of the period of investigation, the price in past is higher.
- i. In case of procurement from the applicant, the consumers have the option of maintaining lower inventory levels in comparison to relying on imports for the same. Therefore, imposition of anti-dumping duty would be in the interest of consumers.

- j. Imposition of anti-dumping duty will not create any situation of monopoly since there is one other producers of the subject goods in India, namely Finorchem Limited.
- k. Obtaining approval from the Automotive Tyre Manufacturers Association for operating the applicant's Dahej plant is not mandated by any governmental regulation but are instead internal requirements imposed by tyre manufacturing companies themselves.
- l. The fact that these tyre companies take as long as 18–24 months to provide such approvals indicates a preference for sourcing through imports rather than from the applicant.
- m. The applicant has made domestic sales to all the participating users thereby demonstrating their ability to supply the product.
- n. The applicant has exported the product to Bridgestone Tire Manufacturing, Thailand. This entity is a related company of Bridgestone Tyre, which is a member of the domestic tyre manufacturers' association.

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

- 126. The Authority considered whether imposition of anti-dumping duty will be against public interest. This determination is based on consideration of information on records and interests of the participating interested parties.
- 127. The Authority issued gazette notification inviting views from all the interested parties, including importers, consumers and other interested parties. The Authority also prescribed a questionnaire for the producers, users, importers to provide relevant information with regard to the present investigation, including possible effect of the anti-dumping duty on their operation. The Authority sought information on, inter-alia, interchangeability of the product supplied by the various suppliers from different countries, ability to switch sources, the effect of the anti-dumping duty on the consumers, the factors that are likely to accelerate or delay the adjustment to the new situation caused by the coming of the anti-dumping duty.
- 128. It is noted that the purpose of anti-dumping measures, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The Authority recognizes that the imposition of the anti-dumping duties might affect the price levels of the product under consideration as well as other downstream products manufactured by using the subject goods in India. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measures. On the contrary, the imposition of anti-dumping measures would prevent the decline in performance parameters of the domestic industry caused as a consequence of low-priced imports from the subject countries, and help maintain the wider availability of choices to the consumers of the product under consideration.

129. Four users, namely Apollo Tyres Limited, CEAT Limited, JK Tyre & Industries Limited and MRF Limited and one related importer, namely M/s LANXESS India Private Limited have filed the prescribed user/importer questionnaire response. The Authority had also prescribed an economic interest questionnaire which was sent to all interested parties in this investigation. The Authority notes that the four users, namely Apollo Tyres Limited, CEAT Limited, JK Tyre & Industries Limited and MRF Limited have filed the prescribed economic questionnaire response. The users have not provided impact of duty on their operations.
130. The domestic industry had submitted that the product under consideration is largely used in the tyre industry. The domestic industry further quantified the share of the product under consideration in the overall raw material cost, total cost and sales value of the tyre producers to be \*\*%, \*\*% and \*\*% respectively.

SN	Impact on	Share of PUC	Anti-dumping	Impact
1	Raw material cost	**	10%	Less than 1%
2	Cost of production	**	10%	Less than 1%
3	Sales	**	10%	Less than 1%

131. On the submission by user industry that various raw materials of it are subject to investigation and the impact of duty should be examined on cumulative basis, it is seen that the domestic industry had also quantified the cumulative impact of anti-dumping duty on various raw materials (TDQ, Sulphenamides Accelerators, PX-13, IIR, insoluble sulphur) used by the user tyre industry, on which an investigation is ongoing or measures are in force. The domestic industry has shown that the cumulative effect of anti-dumping on all these raw materials is a mere 0.7% on total tyre cost. The user industry has not provided any such impact.
132. With regard to interested parties' argument that the existing demand supply gap in India, the Authority notes that the domestic industry as on the period of investigation has sufficient capacity to cater \*\*% of the India demand. This is in addition to the capacity of around \*\* MT available with the other domestic producer in India, namely Finorchem Limited. Together, they have sufficient capacity to cater \*\*% of the Indian demand. However, as seen from above, dumped imports from the subject countries have taken up domestic industry's market share and prevented capacity establishment in the country. Therefore, capacity expansion cannot take place under such conditions.
133. The Authority further notes that the imposition of anti-dumping duty will not lead to scarcity of the subject goods in India. It is noted that anti-dumping duty does not restrict imports but ensures that imports are available at fair prices. The imposition of duty would, therefore, not affect the availability of the product.

**K. POST-DISCLOSURE SUBMISSIONS**

134. The post disclosure submissions have been received from the interested parties, and it is noted that the most of the issues raised are reiterations and have already been raised earlier and also addressed appropriately. Additional submissions have been analyzed as under:

**K.1. Submission by the applicant**

135. The submissions made by the applicant are as under:

- a. That the Authority has correctly treated CBS and NS as a single product as they share similar characteristics, functions, and end uses within the rubber industry.
- b. That the Authority has found significant dumping and injury margins in respect of imports from the subject countries, and that such imports are priced below the cost and selling price of the domestic industry, thereby establishing material injury
- c. That imports have increased and gained market share, while the domestic industry witnessed a decline in production, sales, and capacity utilisation during the POI despite rising demand. It is also submitted that key financial indicators, including profitability, cash flows, ROI, and ROCE, have turned negative, indicating significant financial injury to the domestic industry. The domestic industry has contended that such injury is directly attributable to dumped imports, as imports have undercut and suppressed domestic prices, and no other known factors have contributed to the injury.
- d. That despite having sufficient installed capacity, the domestic industry continues to operate at sub-optimal utilisation levels due to the presence of dumped imports, thereby necessitating the imposition of anti-dumping duties to ensure fair competition. It is also submitted that the impact of such duties on the user industry is minimal, as the product under consideration constitutes a negligible share in the overall cost of tyres and the cumulative impact of duties remains insignificant.
- e. That the domestic industry has submitted that imposition of anti-dumping duty for a period of five years is essential to enable recovery from the sustained effects of prolonged dumping. It is also submitted that a fixed form of duty is appropriate in view of price volatility and the demonstrated ability of exporters to adjust export prices.

**K.2. Submission by opposing interested parties.**

136. The opposing interested parties has made the following submissions with regard to Indian industry's interest and other issues:

- a. The Authority has erred in treating CBS and NS as a single homogeneous product. These are technically, commercially, and functionally distinct products with different curing behaviour, pricing, and end-use applications. A consolidated injury analysis masks product-specific reality. Separate determination of dumping, injury, and causality is warranted.
- b. That the reliance on the alleged support from Finorchem Limited is procedurally flawed, as no support letter or prescribed information has been disclosed to the interested parties. It is submitted that such non-disclosure is in violation of the applicable Trade Notices and principles of transparency, thereby vitiating the determination of standing.
- c. That the imposition of duties is likely to adversely impact downstream industries, particularly tyre manufacturers, by increasing input costs and exacerbating supply constraints. Furthermore, the existing domestic capacity remains inadequate, and the Domestic Industry has not undertaken any commitment to cater to the entire domestic demand.
- d. That the decline in profitability is mainly due to higher internal financial costs and capacity expansion, and not because of imports. The Domestic Industry has increased its production, domestic sales, and market share faster than demand, while imports have continued without replacing domestic production, and there is no volume injury is seen from the disclosure statement. It is further submitted that even the price trends also show that import prices and domestic selling prices have moved together, which means the Domestic Industry has maintained its pricing power, and any reduction in margins is due to higher internal costs and not import pricing. It is further noted that key performance indicators such as production, sales, capacity utilisation, productivity, and market share have improved over time, showing that any injury is due to internal factors. Moreover, applying a flat 22% ROCE is arbitrary and not in line with legal principles, and the Non-Injurious Price should be based on actual past returns of the industry, not an inflated benchmark.
- e. That the opposing interested parties, have reiterated their jurisdictional objection to the adoption of a fifteen-month period of investigation and have requested the Authority to re-examine the issue, on the ground that the mandatory requirements under Rule 5(3A)(ii) were not fulfilled at the time of initiation. It is submitted that Rule 5(3A)(ii) prescribes a normal period of twelve months and permits deviation only upon recording cogent reasons in writing. Since the reasons cited in the initiation notification are made without having data on record, rely on considerations relevant to Rule 5(3A)(i), and fail to meet the statutory threshold.
- f. That the assertion that the extended period would not result in a skewed analysis is unsupported by any objective evidence, particularly in the absence of relevant injury data at the stage of initiation. It is also noted that no examination has been undertaken in terms of paragraph (iv) of Annexure II to assess the impact of such deviation. In these circumstances, it is submitted that the requirement of recording proper and reasoned justification, supported by relevant data, has not been satisfied, thereby rendering the adoption of a fifteen-month POI legally unsustainable and without jurisdiction.

- g. That the participating exporters have submitted that they manufacture NS in Europe and CBS in the USA, and do not possess the capability to produce other PCNs at the respective locations. Accordingly, it is requested that the Authority should rely on the duly verified data furnished by the participating exporters for the determination of dumping margin and injury margin.

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

137. The Authority notes that most of the submissions made by interested parties are repetitive in nature and were already addressed in these final findings. The findings above *ipso facto* deal with these arguments of interested parties. Further, the Authority has examined submissions of interested parties herein below to the extent relevant and not addressed elsewhere.
138. The Authority notes the contention of the interested parties regarding the treatment of CBS and NS as a single product and the request for separate determination of dumping, injury, and causality. In this regard, the Authority observes that the issue has been adequately examined and addressed in the relevant sections of these findings dealing with product under consideration and like article, as well as injury analysis. Accordingly, the Authority finds that a separate determination is not warranted.
139. As regards the contention of the interested parties regarding the alleged procedural infirmity in reliance on support from Finorchem Limited. It is noted that, even in the absence of such support, the Applicant constitutes a major proportion of the domestic production. Accordingly, the determination of standing remains unaffected, and therefore, cannot caused any prejudice to any of the interested parties.
140. As regards the submissions of the interested parties concerning the likely impact of duties on downstream industries, adequacy of domestic capacity, and issues relating to profitability, price trends, and other injury parameters, the Authority notes that all aspects relating to injury and causal link have been examined in detail in the relevant sections of these final findings.
141. As regards contention of 22% return of ROCE and NIP, it is noted that the Non-Injurious Price has been computed in accordance with the principles laid down in Annexure III and the consistent practice followed by the Authority in this regard, which is in line with the said Annexure. Accordingly, the Authority finds the NIP determination to be appropriate and in order.
142. As regards the request made by the Domestic Industry, it is noted that the Authority has re-examined the dumping margin and injury margin for the participating exporters and found the same to be in order. In this regard, the Authority observes that the determination has been made on the basis of duly verified information furnished by the participating exporters, taking into account their submissions regarding production limitations at respective locations. The Authority further notes that, subsequent to the issuance of the Disclosure Statement, the margins have been re-examined and found to be consistent with the data on record.

143. As regards the submissions of the opposing interested parties concerning the adoption of a fifteen-month period of investigation, the Authority analysed the request for re-examination of the issue in light of Rule 5(3A)(ii) and observed that while the Rule prescribes a normal period of twelve months and requires reasons for any deviation, the basis for adoption of the extended period was examined at the stage of initiation. The Authority further notes that the concerns raised by the interested parties have been duly considered, and the adoption of the fifteen-month POI has been found to be appropriate in the facts of the present case.

**L. CONCLUSION.**

144. 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 product under consideration is 'Sulphenamides Accelerators'.
  - b. The scope of the product under consideration only includes CBS (N-cyclohexyl-2-benzothiazolesulfenamide) and NS (N-tert-butyl-2-benzothiazole sulfenamide) form of the product under consideration.
  - c. The scope of the product under consideration excludes MOR (N-oxydiethylene-2-benzothiazole sulphenamide) and DCBS (N,N'-Dicyclohexyl-2-benzothiazole sulfenamides) Sulphenamides Accelerators.
  - d. There are sufficient justifications for considering both CBS and NS in the scope of the product under consideration.
  - e. CBS and NS are considered as two separate PCNs for the product under consideration.
  - f. The article manufactured by the domestic industry and the subject goods exported from the subject countries are like article to each other in terms of Rule 2 (d) of the Rules.
  - g. Other than the applicant, there is one other producer of the subject goods in India, namely Finorchem Limited.
  - h. The applicant constitutes domestic industry within the meaning of Rule 2(b) and satisfies the criteria of standing in terms of Rule 5(3) of the Rules.
  - i. The period of investigation for the present investigation is 1<sup>st</sup> April 2023 to 30<sup>th</sup> June 2024, and the injury examination period covers April 2020 to March 2021, April 2021 to March 2022, April 2022 to March 2023 and 1st April 2023 to 30th June 2024.
  - j. The Authority has, pursuant to Rule 5(3A) of the Rules, provided sufficient reasoning within the initiation notification for considering a 15-month period of investigation.
  - k. The application contained all information relevant for the purpose of initiation of the anti-dumping investigation and necessary evidence in terms of Rule 5(2) of the Rules to justify the initiation of the present investigation for determination of dumping and material injury to the domestic industry in terms of Rule 5 (3) of the Rules.

- l. No interested party from China PR participated in the present investigation to rebut the non-market economy presumption as mentioned in para 8 of Annexure-I of the Rules. Therefore, normal value for China PR is determined as per facts available.
- m. Normal value for China PR has been determined separately for both the PCNs on the basis of price payable in India calculated as per cost of production in India, duly adjusted for selling, general & administrative expenses and reasonable profits. The weighted average of both the PCNs has been calculated to arrive at the normal value for China PR.
- n. Export price for China PR has been determined separately for both the PCNs on the basis of DGCI&S data. Since this data is on CIF terms, adequate adjustments have been made to arrive at ex-factory level. The weighted average of both the PCNs has been calculated to arrive at the net export price from China PR.
- o. One producer/exporter from EU ('Lanxess Belgium') and USA (Lanxess Corporation) respectively have registered and filed questionnaire response in the present investigation. Normal value and export price for these two producers/exporters have been determined as per their respective data.
- p. Other producers and exporters from European Union and USA that are not participating in the present investigation have been considered as non-cooperative and accordingly, the normal value and net export price has been determined as per facts available.
- q. The dumping margin determined for producers/exporters from China PR and cooperating and non-cooperative producers/exporters from EU and USA are positive and significant.
- r. Pursuant to Para (ii) of Annexure II of the Rules, cumulative assessment of injury is appropriate in the present case.
- s. Demand for the product under consideration has increased over the injury period.
- t. Imports from subject countries in absolute terms increased 2021-22, declined in 2022-23 and thereafter increased again in the period of investigation. The decline in demand in 2022-23 caused imports from subject countries to also decline in the same period.
- u. Imports from subject countries in relative terms declined in 2021-22 and 2022-23 and thereafter increased in the period of investigation. Imports declined in 2021-22 and 2022-23 since the domestic industry sacrificed their profitability to keep imports in check.
- v. The landed prices from subject countries have remained below the cost of sales and selling price of the domestic industry.
- w. The price undercutting from the subject countries is positive in the period of investigation.
- x. The selling price of the domestic industry has been suppressed over the injury period.
- y. The domestic industry had expanded its capacity in 2021-22 with capacity remaining constant thereafter.

- z. The capacity utilization of the domestic industry increased till 2022-23 but declined marginally in the period of investigation. The domestic industry is operating with significant idle capacity in the period of investigation.
- aa. The production and domestic sales of the domestic industry increased till 2022-23 and thereafter declined in the period of investigation.
- bb. The average inventory with the domestic industry has increased in the period of investigation.
- cc. The domestic industry's market share has reduced in the period of investigation, and that of the subject countries has increased from 2022-23. The domestic industry is unable to increase its market share commensurate with its installed capacity.
- dd. The domestic industry's profit per unit, profit in Rs Lakhs, cash profit and PBIT declined in 2021-22 and turned into losses in 2022-23 with losses continuing into the POI also.
- ee. The ROCE of the domestic industry declined in 2021-22 and turned negative in 2022-23 with it continuing to remain negative into the period of investigation also.
- ff. While the growth of the domestic industry in the period of investigation has been positive in price parameters, the domestic industry continues to suffer losses. Further, despite there being a demand and supply gap, the production and domestic sales have recorded a negative growth in the period of investigation.
- gg. The dumping of the product under consideration from subject countries has affected the domestic industry's ability to raise capacity investment.
- hh. The domestic industry has not suffered due to other factors. Material injury caused to the domestic industry is due to dumping of the product under consideration from subject countries.
- ii. The non-injurious price has been determined by adopting the information/data relating to the cost of production provided by the domestic industry.
- jj. A reasonable return (pre-tax 22%) on average capital employed (i.e., average net fixed assets plus average working capital) deployed for the product under consideration has been allowed for recovery of interest, corporate tax, and profit to arrive at the non-injurious price.
- kk. The injury margin determined for producers/exporters from China PR and cooperating and non-cooperative producers/exporters from EU and USA are positive and significant.
- ll. The impact of anti-dumping duty on downstream producers is insignificant.
- mm. The cumulative impact of anti-dumping duty on all products (either attracting duty or where duty has been recommended by the Authority) on the downstream tyre industry is negligible.
- nn. Barring the subject countries and the domestic industry, there is one other producer in India, namely Finorchem Limited. Therefore, the anti-dumping duty will not lead to any monopoly for the domestic industry.
- oo. Anti-dumping duty would ensure that the imports are entering the Indian market at fair prices and a level playing field is maintained between the exporters and the domestic industry.
- pp. Imposition of anti-dumping duty would not be against the larger public interest.

**M. RECOMMENDATIONS.**

145. The Authority notes that the investigation was initiated and notified to all the possible interested parties and adequate opportunity was given to the domestic industry, exporters and other interested parties to provide positive information on the aspect of dumping, injury and causal link. Having initiated and conducted the investigation into dumping, injury and causal link in terms of the provisions laid down under the anti-dumping rules, the Authority is of the view that imposition of duty is required to offset dumping and injury. Therefore, the Authority considers it necessary and recommends the imposition of anti-dumping duty on imports of the subject goods from the subject countries.

146. Having regard to the lesser duty rule followed by the Authority, the Authority recommends the imposition of an anti-dumping duty equal to the lesser margin of dumping and the margin of injury, so as to remove the injury to the domestic industry. Accordingly, the Authority recommends imposition of anti-dumping duty on the imports of the subject goods, originating in or exported from the subject countries for a period of 5 years from the date of notification to be issued in this regard by the Central Government, equal to the amount mentioned in Col. 7 of the duty table appended below.

**Duty table**

SN	Heading	Description	Country of origin	Country of export	Producer	Amount	UOM	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	29215190, 29303000, 29319090, 29342000, 29349990. 38121000, 38122090, 38123100, 38123910, 38123920, 38123930 and 38123990. (Note 1)	Sulphenamides Accelerators (Note 2)	China PR	Any country including China PR	Any	974	MT	US\$
2	-do-	do-	Any country other than China PR, EU and USA	China PR	Any	974	MT	US\$

3	-do-	do-	EU	Any country including EU	Lanxess Belgium N.V.	1257	MT	US\$
4	-do-	do-	EU	Any country including EU	Any producer other than serial number 3	1748	MT	US\$
5	-do-	do-	Any country other than China PR, EU and USA	EU	Any	1748	MT	US\$
6	-do-	do-	USA	Any country including USA	Lanxess Corporation	75	MT	US\$
7	-do-	do-	USA	Any country including USA	Any producer other than serial number 6	192	MT	US\$
8	-do-	do-	Any country other than China PR, EU and USA	USA	Any	192	MT	US\$

Note 1 – Customs classification mentioned above is only indicative

Note 2 – The description of the product under consideration is ‘Sulphenamides Accelerators’. The scope of the product under consideration excludes MOR (N-oxydiethylene-2-benzothiazole sulphenamide) and DCBS (N,N’-Dicyclohexyl-2-benzothiazole sulfenamides) Sulphenamides Accelerators. The scope of the product under consideration only includes CBS (N-cyclohexyl-2-benzothiazolesulfenamide) and NS (N-tert-butyl-2-benzothiazole sulfenamide) form of the product under consideration.

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

'I, the undersigned, certify that the (volume) of Sulphenamides Accelerators' including CBS (N-cyclohexyl-2-benzothiazolesulfenamide) and NS (N-tert-butyl-2-benzothiazole sulfenamide) form only sold for export to India covered by this invoice was manufactured by (company name and address) in China PR/ European Union/ United States of America. I declare that the information provided in this invoice is complete and correct.'

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

**N. FURTHER PROCEDURE.**

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



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