CASE No. AD (OI)- 03/2024

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

FINAL FINDINGS

Remand Proceedings in the anti-dumping investigation concerning imports of "Titanium Dioxide" originating in or exported from China PR, pursuant to the judgment of the Hon'ble High Court in *Indian Paint Association v. Union of India & Ors.* (WPO No. 148 of 2025) dated 22nd September 2025

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F. No. 6/03/2024-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building,
5, Parliament Street, New Delhi – 110001

Dated: 03.08.2026

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Case No. AD (OI)-03/2024

Subject: Final findings in the anti-dumping investigation concerning imports of "Titanium Dioxide" originating in or exported from China PR, pursuant to Hon'ble High Court Judgment in Indian Paint Association v. Union of India & Ors. (WPO No. 148 of 2025) dated 22 September 2025, in remand proceeding.

F. No. 6/03/2024 -DGTR: - Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereafter also referred to as the "Act") and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination ofInjury) Rules, 1995 thereof, as amended from time to time (hereafter also referred to as the "Rules").

A. BACKGROUND OF THE CASE

1. The Designated Authority (hereinafter referred to as the "Authority"), consequent to an application filed by Kerala Minerals and Metals Ltd., Travancore Titanium Products Ltd., and VV Titanium Pigments Pvt. Ltd. (hereinafter referred to as the "applicants" or the "domestic industry" or the "DI"), had recommended imposition of anti-dumping duty on imports of "Titanium Dioxide" (hereinafter referred to as the "subject goods" or "product under consideration" or the "PUC") originating in or exported from China PR (hereinafter referred to as the "subject country") vide its Final Findings Notification No.6/3/2024-DGTR dated 12th February 2025.

2. Aggrieved by the recommendations of the Authority in the above referred Final Findings, Indian Paint Association (IPA) filed a writ petition before the Hon'ble High Court of Calcutta, challenging the Final Findings issued vide Notification No. 6/3/2024-DGTR dated 12th February 2025 and Disclosure Statement dated 29th January 2025. During the pendency of the writ petition, the Central Government imposed the anti-dumping duty vide Notification No. 12/2025-Customs (ADD) dated 10th May 2025.

3. The Hon'ble High Court of Calcutta vide its judgment dated 22nd September 2025 in Indian Paint Association v. Union of India & Ors. (WPO No. 148 of 2025), quashed the Final Findings dated

12th February 2025 issued by the Authority as well as Customs Notification No. 12/2025-Customs (ADD) dated 10th May 2025, and remanded the matter to the Designated Authority for reconsideration of the confidentiality issue, "from the stage of the response filed by the petitioner therein for the purpose of considering such issue in accordance with the observations made herein, and the scope and object of Rule 7(2) of the said Rules".

B. PROCEDURE EARLIER FOLLOWED WHILE ISSUING THE FINAL FINDINGS DATED 12TH FEBRUARY 2025

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

4.1. Initiation

i. The Authority notified the embassy of the subject country in India about the receipt of the present application before proceeding to initiate the investigation in accordance with Rule 5(5) of the Rules.
ii. The Authority issued a notification dated 28th March 2024, published in Part-I Section- I of Gazette of India, Extraordinary, initiating an investigation concerning the imports of the subject goods from the subject country.
iii. In accordance with Rule 6(2), the Authority sent a copy of the initiation notification to the embassy of the subject country in India and known producers and exporters from the subject country, the known importers/users of the subject goods and other interested parties, as per the information provided by the applicants. The interested parties were requested to provide relevant information in the form and manner prescribed in the initiation notification and to make their submissions known in writing within the time limit prescribed by the initiation notification.

4.2. Circulation of non-confidential version of the application

i. The Authority also provided a copy of the non-confidential version of the application to the known producers/exporters and to the embassy of the subject country in India, in accordance with Rule 6(3) of the Rules. A copy of the non-confidential version of the application was circulated to the other interested parties.
ii. The interested parties were granted an opportunity to present their comments on the scope of the PUC and proposed product control numbers (PCNs), if required, within a period of 15 days from the date of the circulation of the non-confidential application.
iii. The interested parties were granted an opportunity to present their comments on the issues of confidentiality claimed by the domestic industry within 7 days of the circulation of the non-confidential version of the document filed before the Authority.
iv. The Authority also issued an economic interest questionnaire (hereafter referred to as 'EIQ') to the interested parties seeking inputs on the economic impact of the proposed duties.

4.3. Participation by Exporters of Subject Country

i. The Authority sent questionnaires to the following known producers/ exporters in the subject country calling for necessary information in accordance with Rule 6(4) of the Rules.
   a. Anhui Annada Titanium Industry Co. Ltd (China)
   b. Anhui Annada Titanium Industry Co. Ltd (China)
   c. Cangwu Shunfeng Titanium Dioxide Co. Ltd (China)
   d. Chemours Chenguang (China)
   e. China National Blue Star Group Co. (China)
   f. CNNC Hua Yuan Titanium Dioxide Co. Ltd (China)
   g. Guang Dong Hui Yun Titanium Industry (China)
   h. Guangxi Jinmao (China)
   i. Guangxi Jinmao Titanium Co. Ltd (China)
   j. Jiangsu GPRO Group (China)
   k. Jiangsu Taibai Group Co. Ltd (China)
   l. Jiangxi Tikon Titanium Co. Ltd (China)
   m. Jiangxi Tikon Titanium Co. Ltd (China)
   n. Jilin GPRO Titanium Industry Co. Ltd (China)
   o. Jinan Yuxing Chemical Co. Ltd (China)
   p. Lomon Billions Group (China)
   q. Ningbo Xinfu Titanium Dioxide Co. Ltd (China)
   r. Pangang Group Titanium Resources Co. Ltd (China)
   s. Panzhihua Dongfang Titanium Industry Co. Ltd (China)
   t. Panzhihua Haifengxin Chem. Co. Ltd (China)
   u. Panzhihua Taihai (China)
   v. Panzhihua Xingzhong (China)
   w. Shandong Dawn Group Co. Ltd (China)
   x. Shandong Doguide Group Co. Ltd (China)
   y. Shandong Jinhai (Lubei) (China)
   z. Shanghai Yuejiang Titanium Chemical Manufacturer Co. Ltd (China)
   aa. Tianyuan Group (China)
   bb. Yunnan Dahutong (China)
ii. The embassy of the subject country in India was also requested to advise the producers / exporters in their country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers / exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject country.
iii. In response to the above notification, the following producers/exporters of the product under consideration from subject country have registered as an interested party.
   a. Henan Billions Advanced Material Co., Ltd.
   b. Lb Group Co., Ltd.
   c. Lb Lufeng Titanium Industry Co., Ltd.
   d. Lb Sichuan Titanium Industry Co., Ltd
   e. Lb Xiangyang Titanium Industry Co., Ltd
   f. Billions (Hong Kong) Corporation Limited
   g. Anhui Gold Star Titanium Dioxide (Group) Co., Ltd.

h. Anhui Gold Star Titanium Dioxide Trading Co., Ltd.
i. Yibin Tianyuan Haifeng Hetai Co., Ltd
j. Yibin Tianyuan Group Co., Ltd
k. Efon (Hongkong) Company Limited
l. Shandong Xianghai Titanium Co., Ltd.
m. Shandong Jinhai Titanium Resources Technology Co., Ltd.
n. Chongqing Titanium Industry Co., Ltd. of Pangang Group
o. Pangang Group Titanium Industry Co., Ltd.
p. Pangang Group Chengdu Vanadium & Titanium Resources Development Co., Ltd.
q. Pangang Group Chongqing Vanadium & Titanium Technology Co., Ltd.
r. Jiangxi Tikon Titanium Products Co Ltd (A Tronox Company)
s. Kunming Donghao Titanium Co., Ltd.
t. Inter China Chemical Co., Ltd.
u. Anhui Annada Titanium Industry Co., Ltd.
v. Shandong Doguide Group Co., Ltd.
w. Qianjiang Fangyuan Titanium Industry Co., Ltd.
x. Jinan Yuxing Chemical Co., Ltd.
y. Ningbo Xinfu Titanium Dioxide Co., Ltd.
z. Ningbo Xinfu Chemical Marketing Co., Ltd.
aa. Shandong Dawn Titanium Industry Co. Ltd.

iv. In response to the initiation notification of the subject investigation, following producers/exporters from the subject country have responded by filing questionnaire response:

a. Henan Billions Advanced Material Co., Ltd.
b. Lb Group Co., Ltd.
c. Lb Lufeng Titanium Industry Co., Ltd.
d. Lb Sichuan Titanium Industry Co., Ltd
e. Lb Xiangyang Titanium Industry Co., Ltd
f. Billions (Hong Kong) Corporation Limited
g. Anhui Gold Star Titanium Dioxide (Group) Co., Ltd.
h. Anhui Gold Star Titanium Dioxide Trading Co., Ltd.
i. Yibin Tianyuan Haifeng Hetai Co., Ltd
j. Yibin Tianyuan Group Co., Ltd
k. Efon (Hongkong) Company Limited
l. Shandong Xianghai Titanium Co., Ltd.
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v. Shandong Doguide Group Co., Ltd.
w. Qianjiang Fangyuan Titanium Industry Co., Ltd.
x. Jinan Yuxing Chemical Co., Ltd.
y. Ningbo Xinfu Titanium Dioxide Co., Ltd.
z. Ningbo Xinfu Chemical Marketing Co., Ltd.
aa. Shandong Dawn Titanium Industry Co. Ltd.

4.4. **Participation by Importers/Users**

i. The Authority sent 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.
   a. Asian Paints India Ltd
   b. JCT Limited
   c. Berger Paints Ltd
   d. Schulman Plastics India Ltd
   e. Berger Becker Coatings Pvt Ltd
   f. Hanson Paints
   g. Kansai Nerolac Paints Ltd
   h. Kamdhenu Paints
   i. Akzo Nobel
   j. UFlex Limited
   k. Jotun India Pvt Ltd
   l. Apollo Piping Systems
   m. Indigo Paints
   n. Yansefu Inks and Coatings Pvt Ltd
   o. Clariant Chemicals
   p. Mundra Masterbatches
   q. SCJ Plastics
   r. Paramount Powders
   s. Aashirvaad Pipes
   t. Bhavin Industries
   u. Hi-Tech Inks Pvt Ltd

ii. The following importer/user have registered themselves as interested parties:
   a. Kemco Corporation
   b. Sandeep Organics Pvt. Ltd.
   c. Soltex Petroproducts Ltd
   d. Shri Ambica Polyfill
   e. Merit Polymers Pvt Ltd
   f. Plastek Innovations Pvt Ltd
   g. Polyworld
   h. K T Quality Control Pvt Ltd
   i. Kandui Industries India Pvt. Ltd.

iii. The following importers and users have submitted questionnaire responses to the Authority:

a. Kemco Corporation
b. Nippon Paint India Private Limited through Indian Paint Association

iv. The following importer/user has not registered themselves as interested party but madewritten submissions during the course of the investigation:
a. Classic Solvents

v. The following user associations have registered themselves as interested parties:
a. Indian Paint Association (IPA)
b. All India Plastics Manufacturers, Association (AIPMA)
c. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
d. PHD Chamber of Commerce and Industry (PHDCCI)

vi. The following producer/exporter association from China PR has registered themselves as an interested party and made written submissions
a. China National Coatings Industry Association (CNCIA)

vii. The following user associations have made written submissions during the course ofthe investigation:
a. Indian Paint Association (IPA)
b. All India Plastics Manufacturers, Association (AIPMA)
c. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
d. PHD Chamber of Commerce and Industry (PHDCCI)

viii. The following user association has not registered themselves as interested party but made written submissions during the course of the investigation:
a. Indian Paint and Coating Association (IPCA)

4.5. **Period of Investigation and Injury Period**

i. The period of investigation (POI) for the purpose of the present investigation is 1st October 2022 to 30th September 2023 (12 months). The injury investigation period covers the periods 1st April 2020 – 31st March 2021, 1st April 2021 – 31st March 2022,1st April 2022 – 31st March 2023 and the period of investigation.

4.6. **Discussion on PUC/PCN**

i. Interested parties were provided 15 days' time from the date of circulation of non-confidential version of application, to file their comments on the scope of PUC and PCN methodology which ended on 6th May, 2024 post an extension granted by the Authority upon the request of an interested party. Comments and submissions were received from certain interested parties, which were duly examined by the Authority.

ii. The Authority held a discussion on 3rd June 2024 with all the interested parties to discuss the product under consideration and the proposed product control numbers (PCNs). After receiving inputs from the interested parties, the Authority videnotification dated 16th July 2024 finalized the scope of the PUC and PCN methodology. The Authority granted 30 days' time to interested parties from 16th July,2024 to file questionnaire responses.

4.7. **Import Data**

i. The DG System was requested to provide transaction-wise details of the imports of the subject goods for the injury period and the period of investigation. The same was received by the Authority and considered at the stage of initiation of the investigationas well as for the present Disclosure Statement.

4.8. **Sampling**

i. In view of large number of producers and exporters/traders who responded in the investigation, the Authority, pursuant to Rule 17(3) of the AD Rules and after examining the comments of interested parties, selected the following three (3) producers along with their associated exporters for determination of dumping margin, on the basis of the largest percentage of the volume of the exports to India from ChinaPR during the investigation period, which is listed below:
   a. **LB Group** comprising of following producers/ exporters - Henan Billions Advanced Material Co., Ltd., LB Group Co., Ltd., LB Lufeng Titanium Industry Co., Ltd., LB Sichuan Titanium Industry Co., Ltd, LB Xiangyang Titanium Industry Co., Ltd , Billions (Hong Kong) Corporation Limited and Billions EuropeLtd, UK
   b. **Gold Star Group** comprising of producer/exporter- Anhui Gold Star Titanium Dioxide (Group) Co., Ltd and Anhui Gold Star Titanium Dioxide Trading Co., Ltd.
   c. **Shandong Group** comprising of producer/exporter- Shandong Xianghai TitaniumCo., Ltd. and Shandong Jinhai Titanium Resources Technology Co., Ltd.

ii. The Authority determined the dumping margin for non-sampled cooperating producers/ exporters from China PR on the basis of dumping margin of the sampled producers from China PR, and in accordance with the provisions of the Rules.

4.9. **Oral Hearing**

i. In accordance with Rule 6(6) of the Rules, the Authority provided an opportunity to the interested parties for presenting their views orally regarding the subject investigation through a public hearing held on 29th October, 2024. The interested parties who presented their views in the oral hearing, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions, if any.The interested parties were further directed to share the non-confidential version of thewritten submissions with the other interested parties.

4.10. **Further Procedure**

i. The non-injurious price (hereinafter referred to as the 'NIP') has been determined based on the cost of production and reasonable return on capital employed for the subject goods in India, based on the information furnished by the domestic industry onthe basis of Generally

Accepted Accounting Principles (GAAP) and Annexure III to the AD Rules, 1995 so as to ascertain whether anti-dumping duties lower than the dumping margin would be sufficient to remove injury to the domestic industry.

ii. The information submitted by the domestic industry has been examined and verified during on site-verification to the extent deemed necessary.

iii. The examination and verification of the information submitted by the cooperating producers/exporters from the subject country was also carried out to the extent deemed necessary and have been relied upon for the purpose of the final findings earlier issued.

iv. The Authority made available the non-confidential version of the evidence presented by various interested parties on mutual basis in the manner prescribed through Trade Notice no. 01/2020 dated 10th April 2020. The information/submissions provided by the interested parties on a confidential basis were examined concerning the sufficiency of such confidentiality claims.

v. The Authority has considered all the arguments raised and information provided by allthe interested parties, to the extent the same are supported with evidence and considered relevant to the present investigation.

vi. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the final findings on the basis of the facts available.

vii. Final Findings in the original investigation were issued on 12th February 2025. Anti-dumping duty was imposed vide Notification No. 12/2025-Customs (ADD) dated 10th May 2025.

viii. The Hon'ble High Court of Calcutta vide its judgment dated 22nd September 2025 in Indian Paint Association v. Union of India & Ors. (WPO No. 148 of 2025), quashed the Final Findings dated 12th February 2025 issued by the Authority as well as Customs Notification No. 12/2025-Customs (ADD) dated 10th May 2025, and remanded the matter to the Designated Authority for reconsideration of the confidentiality issue, "from the stage of the response filed by the petitioner therein for the purpose of considering such issue in accordance with the observations made herein, and the scope and object of Rule 7(2) of the said Rules."

ix. Since the matter has been remanded back to the Designated Authority for reconsideration of the confidentiality issue, from the stage of the response filed by the writ petitioner for the purpose of considering the same in accordance with the observations made by the Hon'ble Court and the scope and object of Rule 7(2) of the said Rules, the Designated Authority initiated the remand back proceedings on 17th October 2025.

x. A Disclosure Statement in the instant remand back proceedings dated 12th May 2026 was issued by the Authority, in accordance with Rule 16 of the Rules disclosing the essential facts under consideration in the matter relating to the present proceedings. The interested parties were allowed time up to 19th May 2026 to file comments on the same.

xi. Based on the request from the interested parties the deadline was extended to 26th May 2026. Pursuant to the subsequent order of the Hon'ble High Court of Calcutta dated 20th May 2026, arising out of Writ Petition No. WPA 11284 of 2026, the time limit was further extended to 16th June 2026.

xii. The exchange rate adopted: 1 US$ = Rs. 83.21.

C. REMAND BACK PROCEEDINGS

C.1. Writ Petition filed by Indian Paint Association before the Hon'ble Calcutta High Court

5. Aggrieved by the recommendations of the Authority in the Final Findings, Indian Paint Association (hereinafter "IPA") filed Writ Petition No. 148 of 2025 before the Hon'ble High Court of Calcutta, challenging the Final Findings dated 12th February 2025 and Disclosure Statement dated 29th January 2025. The gist of IPA's challenge is twofold:
   ~~a)~~ First, the Authority had allowed the domestic industry (DI) to maintain complete confidentiality over the names of the paint companies to whom it had purportedly sold Rutile-Sulphate grade TiO2 ("R-S TiO2"), as well as over the volume and transaction details of such sales, without directing the DI to provide a non-confidential summary thereof as required under Rule 7(2) of the AD Rules read with the initiation notification. The name of the buyer has been maintained confidential. IPA was consequently unable to verify whether the DI had actually made commercial sales of R-S TiO2 to paint companies during the Period of Investigation ("POI").
   b) Second, the Authority failed to disclose essential facts prior to issuing Final Findings as required by Rule 16 of the AD Rules, thereby preventing IPA from testing the foundational claim that R-S TiO2 had been produced and sold domestically during the POI.

6. During the pendency of the writ petition, the Central Government imposed anti-dumping duty vide Notification No. 12/2025-Customs (ADD) dated 10th May 2025.

D. SCOPE OF REMAND AND COURT'S DIRECTIONS FOR RECONSIDERATION

7. The Hon'ble High Court has remanded the final findings to the Authority for fresh determination on the issue of confidentiality, and of non-disclosure of essential facts forming the basis of the final findings. It is the observation of the Hon'ble High Court that the final findings and the Disclosure Statement earlier issued by the Authority did not grant IPA an opportunity to offer comments on the issue of confidentiality and the basis on which Rutile – Sulphate Titanium Dioxide (hereinafter referred to as "Rutile Sulphate", "R-S", or "R-S TiO2") has been included within the scope of product under consideration. The Hon'ble High Court remanded the matter back to the Authority for reconsideration of these aspects. Accordingly, the Authority has re-examined the information on record and evidence provided by the interested parties to decide these two issues, after providing adequate opportunity to the interested parties an opportunity of oral hearing.

8. The Hon'ble High Court remanded the matter back to the Authority for reconsideration of the confidentiality issue, from the stage of the response filed by IPA, for the purpose of considering the issue of confidentiality in accordance with the observations made in the judgment and the scope and object of Rule 7(2) of the said Rules. Relevant extract of the judgment dated 22 September 2025 is reproduced below.

> *"55. In the light of the above, it can be deduced that the claim of confidentiality which was*

allowed by the designated authority was limited to the disclosure of price only, the names of the domestic industries which allegedly purchased the product under consideration, during the period of investigation or the volume thereof was not accepted. Though, Mr. Mookherjee, has submitted that in absence of a claim of confidentiality being allowed the designated authority was not authorized to withhold such information on the claim of confidentiality thereof, I however, find that the domestic industry had claimed complete confidentiality on all information, as such the same could not have authorised the designated authority to disclose such confidential information having regard to the judgement delivered in the case of Meghmani Organics Limited & Ors. (supra). However, at the same time, if the domestic industry failed to disclose non-confidential summary of the confidential information as is required in terms of the initiation notification, it was for the designated authority to call for such information from the domestic industry, and in absence of such disclosure, to reject such information. In this case, admittedly, the petitioner had called upon the designated authority to disclose necessary information as regards the names of the paint companies with whom there have been transactions of the domestic industries in connection with sale of rutile sulphate, for the petitioner to verify the accuracy of such information…..In my view, the entirety of the aforesaid disclosure sought for by the petitioner though was not only in consonance with Rule 7(2) of the said Rules, however, the designated authority having only accepted the claim for confidentiality on price parameters and thus, having refused the claim for confidentiality on volume and other parameters as is reflected from the final findings, ought to have directed the domestic industry to provide summary of such confidential information in non-confidential form, and in the event, such disclosure was not made, ought to have refuse the claim in terms of paragraphs 35 to 38 of the initiation notification. The same has not been done. By reasons of refusal of the designated authority to call for information in terms of the initiation notification from the domestic industry and disclose the claim for confidentiality made by the domestic industry to the petitioner, the petitioner has been prevented from objecting and contesting the claim for confidentiality especially when the domestic industry has held all business related information to be confidential. The designated authority could not have allowed confidentiality in respect of all the business data for selling titanium dioxide through rutile sulphate process, especially when the petitioner claims that there are no commercial sale of rutile sulphate and especially when such contention had been turned down by contending that the respondent no.4 has the necessary technology and set up to produce rutile through sulphate route and has manufactured and sold titanium dioxide products using sulphate process. Since, the finding to the contrary has to be supported by reasons and documentary evidence, ordinarily, the same or the non-confidential summary thereof, ought to have been disclosed and in the event the domestic industry insisted for total confidentiality, in terms of Rule 7(3) the said Rules the same ought to have been ignored. Further the designated authority was also obliged to disclose essential facts prior to rendering the final findings in terms of Rule 16 of the said Rules. In absence of such disclosure, the petitioner had been unable to verify the very basis on which the aforesaid product has been included within the scope of product under consideration and to test out whether there has been domestic sale of the PUC which forms the foundation of the claim of the levy of duty. The sub issues are accordingly answered.

56. In my view, the procedural safeguard in terms of article 6.9 of the ADA which has been incorporated in the said Act, and the rules framed thereunder, especially in Rule 7(2) of the said

Rules has not been followed. The petitioner was thus, not made aware of the essential facts under consideration which forms the basis of the decision for applying the definitive measures. In the peculiar facts, morefully noted hereinabove, I am of the view that the final findings of the designated authority stands vitiated. In the interregnum, however, there has been a development. During the pendency of the writ petition, the Government has already ascertained and imposed a levy of anti-dumping duty vide notification dated 10th May, 2025. In this context, it would be relevant to note that by an order dated 6th March, 2025, this Court considering the lengthy arguments advanced and considering the balance of convenience and the prima facie case had granted an interim protection by, inter alia, observing that steps, if any, taken by the respondents shall abide by the result of the writ petition. Since, respondents were aware and were conscious that any steps taken by the respondents are subject to the final decision to be rendered by this Court, I am of the view that since, the levy of duty is based on the final findings, which stands vitiated for reasons noted hereinabove, the levy of duty effected by notification dated 10th May, 2025 also cannot be sustained and the same with the final findings are accordingly quashed. The matter is remanded back to the designated authority for reconsideration of the aforesaid issue, from the stage of the response filed by the petitioner for the purpose of considering the same in accordance with the observations made herein and the scope and object of Rule 7(2) of the said Rules. Levy if any, collected in the meantime shall be subject to the final outcome of the proceedings…..".

9. The Hon'ble High Court in the judgment specifically noted that, if the domestic industry failed to file non-confidential summary of the confidential information as is required in terms of the initiation notification, it was for the Authority to call for such information from the domestic industry, and in absence of such disclosure or insufficient explanation provided for claiming such information confidential from the domestic industry, to reject such information. It was further held by the Hon'ble High Court that the Authority ought to have directed the domestic industry to provide a summary of such confidential information in non-confidential form, and in the event such disclosure was not made, ought to have refused the claim in terms of paragraphs 35 to 38 of the initiation notification.

10. The Hon'ble High Court stated that the Authority was also obliged to disclose essential facts prior to rendering the final findings in terms of Rule 16 of the said Rules. It was held that in absence of such disclosure, IPA was unable to verify the very basis on which the R-S TiO2 has been included within the scope of product under consideration and whether there has been domestic sale of the PUC which forms the foundation of the claim of the levy of duty.

11. The Hon'ble High Court quashed the final findings dated 12th February 2025 of the Authority holding that the Authority did not follow the abovesaid procedure. The Hon'ble High Court held that the matter is required to be remanded back to the Authority for reconsideration of the aforesaid issue, from the stage of the response filed by IPA for the purpose of considering the same in accordance with the observations made in the judgment and the scope and object of Rule 7(2) of the Rules. Though the interested parties and new parties have made submissions on issues beyond confidentiality and sufficient disclosure of essential facts during the remand proceedings, the Authority notes that the Hon'ble High Court remanded the matter for examination of only these

limited issues. Accordingly, the issues of confidentiality and sufficient disclosure of essential facts, and consequently, the inclusion of Rutile-Sulphate Titanium Dioxide within the scope of the product under consideration, is examined hereinbelow.

E. PROCEDURE FOLLOWED IN THE PRESENT REMAND PROCEEDING

12. The procedure described below has been followed in the present remand proceeding:

    a. Pursuant to the Hon'ble High Court's judgment dated 22nd September 2025, the Authority issued public notice dated 17th October 2025 which reads as follows:

    > *"2. Since the matter has been remanded back to the Designated Authority for reconsideration of the confidentiality issue, from the stage of the response filed by the writ petitioner for the purpose of considering the same in accordance with the observations made by the Hon'ble Court and the scope and object of Rule 7(2) of the said Rules, the Designated Authority has taken up the proceedings in the present matter accordingly. The domestic industry has been directed to disclose information or provide sufficient justification in terms of Rule 7 regarding the names of the paint companies with whom the domestic industry had transacted for the sales of Rutile Sulphate grade. The domestic industry has been informed that if the Authority is satisfied that the request for confidentiality is not warranted or the applicant is either unwilling to make the information public or to authorise its disclosure in a generalised or summary form, the Authority may disregard such information."*

    b. The domestic industry filed its submission pursuant to the public notice dated 17th October 2025 issued by the Authority in respect of confidentiality and other aspects along with non-confidential version of the same.
    c. Indian Paint Association and other interested parties also filed submissions pursuant to the public notice dated 17th October 2025 issued by the Authority.
    d. The Authority provided an opportunity to the domestic industry and interested parties to present their views orally in an oral hearing held on 23rd December 2025.
    e. The interested parties who presented their views orally at the time of oral hearing were requested to file written submissions of the views expressed by them orally, followed by rejoinder submissions, if any.
    f. The oral hearing was also attended by new parties who did not participate during the original proceedings. The following new parties also filed their written submissions and rejoinder submissions.
       i. Indian Chemical Corporation
       ii. Nemi Chem
       iii. Saral Chemicals
    g. The Authority notes that new parties that have not participated in the original proceedings, cannot be considered as interested parties in the present proceeding as the Hon'ble High Court has remanded the matter back for reconsideration of the aforesaid issue, from the stage of the response filed by the petitioner. However, a~~s~~ per the trade notice 11 of 2018, submissions made by these parties are examined to the extent relevant for the present proceedings.

h. The Authority has considered all the submissions made by various interested parties and the same were examined in detail in light of the judgment dated 22nd September 2025 of the Hon’ble High Court.

F. ISSUES FOR CONSIDERATION IN THE INSTANT REMAND PROCEEDINGS

F.1 ISSUE 1: CONFIDENTIALITY

F.1.1 Submissions By Domestic Industry In The Present Remand Proceedings

a) TTPL has produced and sold Rutile-Sulphate TiO2 and this is demonstrated by extensive evidence on record, including: (a) application (injury annexures, costing information, NIP information, production and sales information for R-S); (b) production process flow-chart showing sulphate route; (c) pollution-control board certificate showing approvals for sulphuric acid and titanium dioxides; (d) financial statements/annual reports showing revenue for R-S TiO2; (e) Cost Audit Report showing consumption of sulphur to make sulphuric acid; (f) trial balance showing sales of Rutile Grade TiO2 under multiple heads; and (g) on-site verification by the Authority confirming production and sales.

b) Authority’s practice and available law support confidentiality for customer/supplier lists and verification exhibits, seen through Trade Notice 1/2013 identifies customer lists as information whose disclosure causes significant adverse effect, Trade Notice 10/2018, and the Manual (Ch. 8) recognise verification exhibits as confidential.

c) Other interested parties, including members of IPA, routinely claimed confidentiality over customer identities, supplier names, transaction details, and even document lists. The Authority accepted many such claims establishing a consistent practice applied.

d) Evidence filed at various stages, including the application for initiation, costing formats (distinct for R-S and A-S), cost audit reports, sulphur and sulphuric acid consumption (specific to sulphate route), subsequent written submissions, rejoinder submissions, verification documents, sample invoices and post-hearing responses clearly establishes that TTPL manufactures Rutile grade TiO_2 through the Sulphate process

e) The DI submitted that the name of one buyer that purchased R-S TiO2 was inadvertently disclosed during the original proceedings and that such disclosure should not be used to defeat the confidentiality claim for the complete buyer list.

f) TTPL has supplied R-S TiO2 to both paint and non-paint users, with a total of *** transactions constituting *** MT of purchases spanning over a 14-year period.

F.1.2 Submissions by Indian Paint Association and Other Interested Parties

a) IPA submitted that the DI never disclosed the names of the paint companies or provided any meaningful non-confidential summary of the purported sales of R-S TiO2. Without such disclosure, IPA was unable to verify whether there had been any domestic commercial sale of R-S TiO2 to the paint industry, which is the very foundation of the levy of duty.

b) IPA contended that there are no commercial sales of R-S TiO2 by the DI to the paint industry. The R-S TiO2 commercially available in the Indian market is entirely through imports.

c) Mandatory requirement of sales in commercial quantities remains wholly unfulfilled by the DI in terms of R-S TiO2. Even if non-zero quantities in the sales entries provided are aggregated, total quantity sold is only about (1,900–2,000 MT); POI sales reduce sharply to 430–440 MT, which when viewed against Indian demand of (3,38,000 MT,) constitutes a negligible and de minimis fraction.

d) TTPL primarily produces Anatase and its capacity to produce Rutile is largely theoretical. The Rutile produced by TTPL is uncoated and lacks surface treatment. TTPL's uncoated rutile cannot be a substitute for imported coated rutile. Other interested parties also submitted that the domestic industry's claim of interchangeability between R-C and R-S TiO2 is incorrect; the two differ in chemical properties, end-uses, price sensitivities, and supply chains. Coated R-S is essential for SMEs (15,000+ manufacturing units) for whom it is an indispensable raw material, and substituting it with R-C would adversely affect economy-grade paint viability.

e) Remand proceedings should remain confined strictly to reconsideration of the confidentiality issue on the basis of the existing record as it stood at the relevant stage of issuance of Disclosure Statement and does not contemplate or permit the domestic industry to introduce fresh justification, additional reasoning, or post-facto explanations.

f) The domestic industry cannot be permitted to supplement or cure defects in its original confidentiality claims as at this stage it would effectively grant a second opportunity to the domestic industry which is impermissible in law as the domestic industry cannot cure a fundamental procedural defect through post-facto justification.

g) Domestic industry stated that the reasons for claiming confidentiality were not given during the original filing as it was considered to be well understood by all parties to the investigation, showing clear admission that no good-cause statement was submitted at the time of claiming confidentiality, and that the reasons for claiming confidentiality are being furnished only at this stage.

h) Reliance on alleged customary practice of treating customer names as confidential is wholly misplaced as Trade Notice No. 10/2018 dated 7th September 2018 states parameters and categories of information for which confidentiality may be claimed, along with the manner of furnishing meaningful non-confidential summaries.

i) Inadvertent disclosure of the customer's name is inconsistent with record of the remand proceedings as customer's identity was expressly made during the oral hearing, and such reference was during substantive arguments, supported by a document indicating sales to specific customer. Such reliance to substantiate indicates the disclosure was deliberate and prepared in advance.

j) Repetition of disclosure of customer's name in the written submissions despite it being after a cooling off period establishes reference was intentional and made after due consideration.

k) Attempt to characterise the disclosure of customer's name as inadvertent appears to be an afterthought and relating to implications of the disclosure. This conduct indicates that the disclosure forms part of litigation strategy of the domestic industry.

l) Under applicable legal regime for anti-dumping investigations in India. If the party claiming confidentiality upon information discloses such information, it cannot stop other interested parties' reliance on the same or claim that the information be treated as confidential.

F.1.3 Examination by the Authority

13. The Authority has examined the submissions made by the interested parties pursuant to the notice dated 17th October 2025, notifying parties of the present remand proceedings, and inviting comments on the same. The submissions have been examined by the Authority and have been dealt with appropriately below.

14. At the outset, it must be examined whether the direction of the Authority contained within the notification dated 17th October 2025 was within the purview of the present remand proceedings. It has been contended by the other interested parties that the domestic industry cannot be allowed to give justification for claiming confidentiality within the scope of the remand proceedings, as the Hon'ble High Court remanded the matter back to the Authority for reconsideration of the issue of confidentiality from the stage of the response filed by IPA. It is noted that the judgment further states that such reconsideration must be in accordance with the observations made within it and the scope and object of Rule 7(2) of the Rules, so as to provide fair opportunity to IPA and other interested parties to defend their interests in terms of Rules 7(2) as the same was not done earlier. The relevant extract of the judgment is below:

> *"56. …The matter is remanded back to the designated authority for reconsideration of the aforesaid issue, from the stage of the response filed by the petitioner for the purpose of considering the same in accordance with the observations made herein and the scope and object of Rule 7(2) of the said Rules…"*

15. As can be seen, the Authority must reconsider the issue of confidentiality, in accordance with the observations made within the judgment as well as the scope and object of the Rules. The Hon'ble High Court observed in the judgment that in the instant factual matrix wherein the domestic industry had not circulated non-confidential information, it was for the Authority to call for such information from the domestic industry. Relevant extract of the judgment is below:

> *"55. …In my view, the entirety of the aforesaid disclosure sought for by the petitioner though was not only in consonance with Rule 7(2) of the said Rules, however, the designated authority having only accepted the claim for confidentiality on price parameters and thus, having refused the claim for confidentiality on volume and other parameters as is reflected from the final findings, ought to have directed the domestic industry to provide summary of such confidential information in non-confidential form, and in the event, such disclosure was not made, ought to have refuse the claim in terms of paragraphs 35 to 38 of the initiation notification. The same has not been done…"*

16. Rule 7(2) states that the Authority should require that parties submitting information on a confidential basis provide a non-confidential summary of that information. It further states that if the party believes that the information cannot be summarised, then they may instead provide a statement with reasons stating why a summary of the information is not feasible. Rule 7(2) is reproduced below:

> *"(2) The designated authority may require the parties providing information on*

confidential basis to furnish non-confidential 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."

17. The Hon'ble High Court in its judgment also states that in the scenario that the Authority did not call for a non-confidential summary to be provided, or a good cause statement to be given, the Authority should have acted in terms of Rule 7(3). Rule 7(3) allows the Authority to disregard information which has unwarranted claims of confidentiality or alternatively that the supplier of such information does not want to make this information or its summary form public. Rule 7(3) is reproduced below:

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

18. From Rule 7(3) it is clear that in the event that the Authority is satisfied that the request for confidentiality is not warranted, or the supplier of the information is not willing to make the information available in any form, such information may be disregarded. It is therefore evident that the question of rejection of information and evidence arises only when an interested party refuses to provide sufficient NCV of the information and evidence provided by the party.

19. In the present case, the domestic industry has provided justification for not providing NCV of the information on customer name and invoices provided by it to support its claim of sales to paint industry. It is seen that the judgment of the Hon'ble High Court observes that the Authority ought to have called for information from the domestic industry as no non-confidential information was provided. The Hon'ble High Court directed the Authority to reconsider the issue (of confidentiality) from the stage of the response filed by IPA, in accordance with the observations of the Hon'ble Court as well as Rule 7(2). Rule 7(2) specifically states that the interested parties need to provide non-confidential summaries of confidential information or statement of reasons not to submit such summaries thereof to the Authority.

20. With regard to confidentiality of the information, 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 nosuch information shall be disclosed to any other party without specific authorization of theparty providing such information.*
>
> *(2) The designated authority may require the interested parties providing information on*

confidential basis to furnish non-confidential 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 disclosurein a generalized or summary form, it may disregard such information."

21. In the present case, the domestic industry has provided justification for not providing Non confidential version (NCV) of the information on customer name and invoices provided by it to support its claim of sales to paint industry. It is seen that the judgment of the Hon'ble High Court observes that the Authority ought to have called for information from the domestic industry as no non-confidential information was provided. The Hon'ble High Court directed the Authority to reconsider the issue (of confidentiality) from the stage of the response filed by IPA, in accordance with the observations of the Hon'ble Court as well as Rule 7(2). Rule 7(2) specifically states that the interested parties need to provide non-confidential summaries of confidential information or statement of reasons not to submit such summaries thereof to the Authority.

22. Accordingly, the Authority issued the public notice dated 17th October 2025 with Notification F. No. 06/03/2024-DGTR, calling for the domestic industry to either disclose information or provide sufficient justification in terms of Rule 7 regarding the names of the paint companies with whom the domestic industry had transacted for the sales of Rutile Sulphate grade. Such direction is squarely within the scope of the judgment, as well as Rule 7(2) of the Rules. Therefore, the issue of confidentiality and whether the invoices of the domestic industry and the names of its customer can be treated as confidential must be decided by the Authority.

23. The Authority examined the DI's confidentiality claims on customer names, sales invoices, sales summaries, trial balances, and costing information. The DI justified these claims on the ground that such information is business-sensitive, not publicly available, and its disclosure would confer undue competitive advantage to rivals. The Authority accepts these claims and holds that:

    a) Confidentiality on price parameters, customer names (including paint companies), sales invoices, and transaction details is justified and has been allowed.
    b) This practice is consistent with Trade Notice No. 1 of 2013, which explicitly lists customer and supplier lists as confidential information. Trade Notice No. 10 of 2018 does not supersede this; it addresses disclosure of specific data parameters and does not deal with customer/supplier lists.
    c) Maintaining customer names as confidential is also consistent with the practice of other major investigating authorities (USA, EU, Canada, UK, Australia, and Mexico) and the Authority's own consistent practice.
    d) Notably, Nippon Paints - a TiO2 user and IPA member, claimed complete confidentiality on its customer and supplier names in its questionnaire response, confirming that such claims are standard practice.

24. However, the DI on its own disclosed the name of Asian Paints as a historical buyer during the oral hearing and reiterated this in its written submissions, which were circulated to all interested parties. Subsequently, the DI sought to withdraw the name, claiming inadvertent disclosure. The Authority does not accept this withdrawal, as the disclosure was made in a formal written submission, and interested parties have already filed comments on the basis of this disclosure, rendering it a fait accompli and forming part of the record. Thus, the claim of inadvertence is therefore not accepted at this stage.

25. The Authority's determination on the inclusion of R-S TiO2 within the scope of the PUC is not primarily based on sales to Asian Paints or any specific paint company. The determination rests on the finding that TTPL has produced and sold R-S TiO2 commercially, that R-C TiO2 and R-S TiO2 are like articles in terms of Rule 2 (d) of AD Rules, and that the DI is not required to have sold the product to every segment of the consumer market before seeking imposition of anti-dumping duty.

F.2. ISSUE 2: EXAMINATION OF DISCLOSURE OF ESSENTIAL FACTS ON PUC MADE TO THE INTERESTED PARTIES

26. The Authority notes that the Hon'ble High Court further held that the Authority was also obliged to disclose essential facts prior to rendering the final findings in terms of Rule 16 of the said Rules and that in absence of such disclosure, IPA was unable to verify the very basis on which R-S TiO2 has been included within the scope of product under consideration and to test whether there has been domestic sale of the PUC which forms the foundation of the claim of the levy of duty.

27. The relevant extract of the judgment is reproduced hereinbelow:

> *"55…. In absence of such disclosure, the petitioner had been unable to verify the very basis on which the aforesaid product has been included within the scope of product under consideration and to test out whether there has been domestic sale of the PUC which forms the foundation of the claim of the levy of duty…."*

28. The Authority has considered (a) production and sale of R-S TiO2 in commercial volumes by the domestic industry during the POI and injury period, irrespective of the customers to whom this has been sold, (b) interchangeability of sulphate and chloride rutile titanium dioxide for inclusion of sulphate-rutile titanium dioxide within the scope of the product under consideration. This has been noted in the original final findings and has been further examined and brought out in the present remand proceedings. The Authority examined the records of the original investigation and further notes as under.

   a. At the outset it is noted that the domestic industry manufactures Titanium Dioxide through all routes, details of which are as follows:

      i. Kerala Minerals and Metals Ltd. (KMML): Rutile grade through Chloride process

      ii. Travancore Titanium Products Ltd.(TTPL): Rutile grade through Sulphate process and Anatase grade through Sulphate process

      iii. VV Titanium Pigments Pvt. Ltd. (VVT): Anatase grade through Sulphate process

b. In the application, information regarding injury to the domestic industry (including production and sale) of the product under consideration was filed by all applicant companies. The said injury information included, inter-alia, information on capacity, production, domestic sales, export sales, stocks, cost, prices, profits, cash profits, capital employed, return on capital employed. The said information was provided by TTPL separately for both rutile-sulphate and anatase-sulphate. The information provided by the domestic industry also includes injury information, costing information, NIP information, production, and sales information about Rutile-Chloride, Rutile-Sulphate, and Anatase-Sulphate TiO2.

c. The annexures and costing information filed by TTPL, including statement of normal value with the application filed on confidential basis, of which the non-confidential version was circulated to all the interested parties, shows that the TTPL has produced and sold Rutile-Sulphate grade of TiO2. In particular, the said information includes the production process flow chart of TTPL, which shows the production route adopted by TTPL is of sulphate process, and the pollution control board certificate submitted as evidence of capacity shows approval for ‘sulphuric acid’ and “titanium dioxides” which is used in the sulphate process of production of TiO2.

d. It is also seen that financial statements, including annual reports for 19-20, 21-22, and 22-23 shows revenue for R-S TiO2.

e. The Cost Audit Report of TTPL filed with the application shows that there has been consumption of sulphur to make sulphuric acid which is used in making Rutile-Sulphate TiO2 and contains a statement showing production, sales, expenses, cost of production and profit/loss in respect of Rutile Sulphate TiO2.

f. Trial balance/ annual accounts were also examined which shows sales of rutile grade of TiO2.

29. The domestic industry has also placed reliance on the injury statements filed for each of the applicant companies, as well as the costing information filed. It is seen that the injury annexure submitted by the domestic industry contained separate injury statements for each of the applicant companies, including a distinct injury statement for R-S by TTPL, which provides information on TTPL’s production and sales of R-S. Further, the costing formats of TTPL includes: (i) Format VI-1, wherein the costing information filed as part of the prescribed format in the application contains details of sulphur consumption for the entire injury period and separately provides raw material consumption for R-S and Anatase-Sulphate, including consumption of sulphuric acid; (ii) Format VI-2, which contains separate cost statements for Anatase-Sulphate and R-S for the entire injury period; (iii) Format VI-2T, which provides sales details for the entire injury period, including separate sales of Anatase-Sulphate and R-S; (iv) Format VI-5, which contains production details and NIP calculations provided separately for R-S and Anatase-Sulphate, including production of R-S for three years and the linkage of expenses to various accounting records; and (v) Quantitative Information, which sets out production and sales details provided separately for Anatase-Sulphate and R-S.

30. Domestic industry also made reference to the public information available on the website of TTPL, which shows the products that are sold under the category of Rutile Titanium Dioxide under heads

such as ‘Ajantox RD-1, Ajantox RD-1-PG, Ajantox RD-1-GP’ along with its usage as “widely used for production of solvent and water based paints, paper, coatings, inks & plastics, etc.”

31. The domestic industry had filed verification documents vide its email dated 10th August 2024 wherein it provided the following information and evidence including sale invoices, production and sales summaries, signed trial balance for the POI, POI trial balance extracted, and signed costing formats of TTPL. The Authority has examined these information and document and notes that these also establishes production and sales of Rutile-Sulphate TIO2, as summarised below:
    i. Invoices showing ‘description and HSN’ demonstrating that Rutile Grade of Titanium Dioxide was sold.
    ii. Quantitative details of opening and closing stock, production, and sales
    iii. Production and Sales quantity of R-S and A-S PCN for the injury period
    iv. Production and Sales summary

32. The Authority during the course of investigation verified that TTPL manufactures R-S TiO2 and it produced and sold R-S TiO2 during the injury period, including POI. During verification, the Authority examined the production process and observed that sulphuric acid was consumed in the manufacture of R-S TiO2. Throughout the verification and review of documentation provided, including production and sales invoices, the Authority was satisfied with the evidence that TTPL manufactures and sells Rutile grade TiO2 through the sulphate route. Accordingly, separate NIP for R-S TiO2 was determined by the Authority, after detailed scrutiny of financial and cost records of the company.

33. Regarding confidentiality concerns and the question of whether the domestic industry produced and sold R-S grade TiO2 during the POI, including whether such sales were made to members of the IPA paint industry and whether the product should fall within the scope of the PUC, the Authority notes that the evidence on record, right from the stage of initiation, clearly establishes that TTPL produced and sold R-S TiO2. Further, such sales have been made to both paint and non-paint users. It is also seen from the letter dated 17th February, 2026 by the Indian Paint Association that they have now accepted purchase of R-S TiO2 by one of the paint customer until 2019. Such an admission contradicts their earlier assertion during the course of original investigation that the domestic industry had not supplied R-S TiO_2 to the paint segment at all. The Authority further notes that even at this stage, IPA stated that the purchases have been low in volume for industrial paint, whereas the domestic industry has contended that there were [*** transactions] constituting [*** MT] purchase spanning over 14 years period. Notwithstanding, the Authority also considers that production and sale of a product type is relevant, irrespective of the segment of the customers to whom the goods were sold. The, Authority does not consider it necessary that the domestic industry should have sold the product to every segment of the customer or every part of a segment.

34. Notwithstanding above, the Authority further also considers that there is enough evidence on record that R-S TiO2 and R-C TiO2 are like products. The interchangeability and competitive market positioning of both sulphate and chloride rutile titanium dioxide and the fact of production and sales of R-S are sufficient basis for inclusion of sulphate-rutile titanium dioxide within the scope of the product under consideration.

35. The Authority also takes note in this regard that the determination made by global investigating authorities of Brazil, European Union, and Saudi Arabia concerning the same product under consideration. The Authority notes that in the anti-dumping investigations conducted by these Authorities, it was held that R-C and R-S TIO2 are interchangeable. It must also be noted that this position was found despite (a) European producers being a majority R-C TIO2 producing, (b) Brazil producing only R-S TIO2, and (c) Saudi Arabia producing only R-C TIO2. The Authority further notes that even when both R-S and R-C were imported into Brazil and the Brazil domestic industry was producing only R-S, the normal value was determined only on the basis of R-C product. Therefore, it is seen that the interchangeability of R-C and R-S TIO2 are found by global investigating authorities and that R-C and R-S TIO2 have overlapping applications.

36. Based on these facts, the Authority is of the view that that R-S TiO2 and R-C TiO2 are like article and the domestic industry manufactured and sold R-S grade during the POI and that its exclusion from the PUC scope is not warranted:

   a) In the present remand proceedings, the DI has disclosed (both in the oral hearing and in written submissions) that TTPL has sold R-S TiO2 to major paint users including historically Asian Paints, with (***) transactions comprising (*** MT) spanning over 14 years. This disclosure, combined with the extensive documentary evidence on record (invoices, trial balance, costing formats, annual reports, Cost Audit Report), fully establishes that TTPL produced and sold R-S TiO2 during the POI and the injury period.
   b) The DI cannot subsequently claim that the buyer's name was disclosed inadvertently and seek to reassert blanket confidentiality. As held above, such a claim is legally impermissible once the disclosure has been made in formal proceedings.
   c) The Authority further notes that IPA has accepted, in its letter dated 17th February, 2026 that one paint customer did purchase R-S TiO2 from the DI until 2019. While IPA characterizes the volume as low, this admission is sufficient to establish commercial sale for the purposes of the investigation.

37. In view of the above, the Authority finds that it has now fully complied with the procedural obligations identified by the Hon'ble High Court. The essential facts underlying the inclusion of R-S TiO2 within the scope of PUC — namely, that TTPL has the technology, has produced, and has commercially sold R-S TiO2 during the injury period and POI — have been disclosed.

G. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

G.1 Views of the other interested parties:

G.1.a <u>Submissions in the original proceedings</u>

38. The other interested parties have made the following submissions with respect to the scope of the product under consideration and like article in the original proceedings:

i. PCN wise assessment is crucial in the investigation to ensure a fair comparison due to differences in physical and chemical characteristics, usage, pricing, and production cost of various grades and types of titanium dioxide (TiO2). PCN classification based on production process and crystalline structure: Anatase-Sulphate (A-S), Rutile-Sulphate (R-S), and Rutile-Chloride (R-C) has been proposed by many interested parties.

ii. TiO2 exists in two crystalline forms: Rutile and Anatase. Rutile has a higher refractive index, greater chemical stability, and improved durability due to its more compact and symmetrical crystal lattice. Anatase has a lower refractive index, reduced stability, and a less dense, irregular crystal structure. These differences influence their distinct applications and properties.

iii. TiO2 is produced through the chloride or sulphate route, significantly impacting its properties and grades. The chloride process produces high-purity TiO2 suitable for high- quality applications like paints and coatings for automobiles and architecture but is more expensive. The sulphate process produces lower-purity TiO2, which is cost-effective for applications in paper, plastics, and rubber. Anatase pigment is typically produced via the sulphate process, while rutile pigment can be produced via both chloride and sulphate processes.

iv. There is more than a 20% price difference between sulphate-anatase and sulphate-rutile and more than a 40% price difference between sulphate-anatase and chloride-rutile.

v. Exclusion of "rutile-grade TiO2 manufactured through the sulphate route" from the PUC is requested since none of the applicants produce this specific grade. Additionally, exclusion of "rutile-grade TiO2 produced through the chloride process" from the scope of PUC due to significant differences in technical parameters, production costs, end-use, and pricing has been requested.

vi. Combining anatase and rutile grades of TiO2 in the scope of PUC would be flawed. They are distinct in their production process, physical, technical, and chemical properties, as well as end uses. These grades are also classified under different tariff headings.

vii. It has been stated that the domestic industry itself has acknowledged that anatase and rutile grades differ significantly in properties such as purity, refractive index, specific gravity, hardness, and crystal structure, among others. Additionally, they cannot be interchangeably used due to differences in production technology and application.

viii. Most Chinese producers manufacture rutile-grade TiO2 through the sulphate process, while Kerala Minerals and Metals Limited produces Rutile-grade TiO2 using the chloride process. Travancore Titanium Products Limited and VV Titanium Pigments Pvt. Ltd produce anatase-grade TiO2 via the sulphate process. None of the domestic producers manufacture rutile-grade TiO2 through the sulphate process. Therefore, the rutile grade manufactured through the sulphate process should be excluded from the PUC.

ix. Domestic industry has defined pigmentary TiO2 as having a particle size range of 200-350nm. Products with particle sizes below 200nm and above 350nm should be excluded from the investigation as they fall outside the defined scope of pigmentary TiO2.

x. Indian Paint Association (IPA) has contended that the scope of the PUC defined in the initiation notification is overly broad, encompassing grades that are neither produced nor supplied domestically by the domestic industry. These grades, with distinct technical and commercial properties, should be excluded as they do not meet the definition of "like product" or "like article" under relevant anti-dumping rules. IPA argues that parameters like consumer perception, physical and chemical properties, usage, and application differences establish non-substitutability.

xi. The bright and bluish undertone rutile grade is distinguished by its superior physical properties, including higher brightness, enhanced UV resistance, and better overall performance compared to the domestic industry's product. These properties make it a preferred choice for end consumers, particularly in applications demanding high-quality finishes and durability.

xii. Performance grades BLR 895 or LR 961 are widely used in industrial and decorative paints due to their ability to deliver exceptional finish, high gloss, superior durability, and a high distinctness of image (DOI). The domestic industry's grades, however, fall short in these critical aspects. Industrial and decorative paint manufacturers have consistently rejected the domestic industry's grades, citing their inability to meet the performance standards required for high-end applications.

xiii. Sulphate grades BLR 698 or BLR 601 excel in providing higher coverage, better finish quality, and a visually appealing bright white appearance. On the other hand, the domestic industry's grades, which are manufactured through the chloride process, often exhibit lower coverage, inferior finish, and a yellowish tint. These deficiencies make the domestic industry's products unsuitable for users seeking precise and consistent outcomes in high- end applications.

xiv. Further, for industrial paints, the domestic industry's products often require additional sand milling, reducing capacity and throughput. For decorative usage, similar issues are observed. Imported grades do not require sand milling, making them significantly more cost-effective and economically advantageous compared to the domestic industry's product.

xv. IPA further contends that the domestic industry uses the chloride process to manufacture the PUC, whereas imported grades are manufactured using the sulphate process, resulting in chemical differences between the two. Therefore, grades not manufactured by the domestic industry should be excluded from the scope of the PUC as the domestic industry cannot suffer material injury for such grades during the POI, and they are not like articles to the imported grades.

xvi. PHD Chamber of Commerce and Industry (PHDCCI) and Associated Chambers of Commerce and Industry of India (ASSOCHAM) sought some clarifications regarding the exclusion of TiO2 used in the fibre and textile.

xvii. PHDCCI has contended that the paper and paperboard industry consume approximately 6,000 MT of rutile TiO2 annually for the production of décor paper, which is primarily used in laminates for furniture and housing. TiO2 is essential for achieving desired opacity, whiteness, and brightness in décor paper due to its high refractive index, effective light scattering, and UV absorption properties. The sulphate process rutile TiO2, being more economical, is the variant predominantly used by the décor paper industry.

xviii. TiO2 is applied at the pulp or fibre stage of paper manufacturing for décor paper, and not post-manufacturing. The domestic industry's TiO2 does not meet the specific requirements of the décor paper industry. Further, there have been no sales of TiO2 by the domestic industry to the décor paper industry, further confirming the unsuitability of their product for this application. Therefore, TiO2 used in the pulp or fibre stage for manufacturing décor paper must be excluded from the scope of PUC.

xix. ASSOCHAM has submitted that TiO2 anatase grade for making paper other than décor paper (used at fibre/pulp stage) must be excluded from the scope of PUC.

xx. TiO2 used in plastic and PVC application may be excluded from the scope of PUC.

xxi. TiO2 by rutile chloride process requires higher-grade raw materials such as superior TiO2 ore, which is more expensive and scarcer as compared to TiO2 by Rutile sulphate process which requires Ilmenite ore which lowers raw material costs due to being found in abundance and is less expensive. Additionally, rutile produced through chloride process requires specialized corrosive-resistant equipment for handling chemicals such as chlorine and titanium tetrachloride, increasing production costs and complexity while in Rutile sulphate process, simpler equipment is used and there are fewer safety requirements.

xxii. TiO2 with varying particle sizes has different cost patterns, with finer particle sizes requiring more complex production processes and resulting in higher costs.

xxiii. KMML's Rutile chloride- RC 822, with a TiO2 content of 91.5%, is lower in quality compared to imported grades with a higher TiO2 content.

G.1.b Submissions in the present remand back proceedings

39. The other interested parties have made the following submissions with regard to the product under consideration and like article in the present proceedings. Since, various submissions which are repetition of the submissions made earlier, the same have not been reproduced again:

i. Mandatory requirement of sales in commercial quantities remains wholly unfulfilled by the DI in terms of R-S.

ii. Assertion that TTPL has many sales transactions is misleading and the sales listing relied upon by the DI spans a period from April'20 to September'23 and contains approximately 395 invoice entries. The said listing contains entries with zero or nil quantities, trade samples, off-grade supplies, or highly fragmented consignments and these cannot be regarded as commercial sales demonstrating a meaningful or stable market presence.

iii. Alleged sales of POI constitute a negligible and de minimis fraction of demand and cannot be characterized as sales in commercial quantities.

iv. In Technova Imaging Systems Pvt. Ltd. v. Union of India & Ors., Anti-Dumping Appeal No. 51425 of 2022, the Tribunal held that only 2% of the requirement was supplied by the appellant and that commercial production had not been undertaken by Hindalco. This squarely applies to the case of miniscule sales have been made of R-S by the DI. The Technova judgment has not been set aside, stayed, or modified by any superior court and hence remains binding.

v. DI's claim of interchangeability between R-C and R-S is incorrect, the difference is seen in chemical properties, end-uses, price sensitivities, and distinct markets and supply chains. R-C and R-S are not like article as they differ in crystallographic stability, optical undertones, and processing even though they share a chemical formula as they are functionally distinct.

vi. Coated R-S is essential for SMEs, with over 15,000 manufacturing units, in the paint sector for which it is an indispensable raw material and substituting it with R-C would adversely affect the viability of manufacturing of economy-grade paints.

vii. The DI's interchangeability claim ignores crystallography, optics, and surface chemistry, and is similar to grouping diamond and graphite as mere "Carbon", which is chemically accurate but ignores end user disparities. TTPL being historically a producer of A-S, cannot be substituted for imported coated R-S.

viii. Blue undertone of R-S is critical for neutralizing yellowness that is inherent, while R-C does not provide for this and yields a product resulting in a neutral or yellowish undertone. R-S with blue undertone enhances appearance in plastics (masterbatch) and ink industries, and domestic R-C cannot provide this.

ix. Coated R-S offers superior dispersibility, durability, and UV stability, while Uncoated R-S lacks such coating and is photo-active and difficult to disperse. Absence of coated R-S domestically creates a "technical availability gap" for SMEs even though coated R-S is more beneficial to SME sector.

x. DI's claim regarding interchangeability ignores the fact that SMEs adjust pigment loading to serve economy, standard, and premium markets using one core ingredient, which is R-S.

xi. TTPL primarily produces Anatase and its capacity to produce Rutile is largely theoretical. The Rutile produced by TTPL is uncoated and lacks surface treatment. TTPL's uncoated rutile cannot be a substitute for imported coated rutile.

xii. Advance ruling sought from Customs Authority for Advance Rulings, which confirmed no ADD should be levied on toilet soaps, as toilet soaps are considered under categories of cosmetics.

xiii. As term "cosmetics" is broad and ambiguous, leading to issues at customs clearance during the prior ADD levy, Authority is requested to either provide complete exclusion for PUC used in skin-care products or specify "cosmetics includes toilet soaps" to avoid complications at clearance.

xiv. Nemi Chem requests either to exclude Anatase from PUC scope or terminate investigation on entire PUC.

xv. Authority should direct the domestic industry to disclose information relating to the production and sales of R-S during the POI in actual numerical terms, to verify whether such sales were made in commercial quantities as per the legal requirement.

xvi. Authority should also disclose names of the parties to whom such commercial sales were made, which is consistent with existing practice of the Authority.

xvii. Tronox submitted that R-S and R-C are interchangeably used in paint and plastics industries.

xviii. Tronox submitted that before duty was imposed in May 2025, R-S was being sold to Indian plastic manufacturers, however, after imposition of duty, customers switched to R-C showing that it is interchangeably used.

xix. R-C is supplied by affiliates of Tronox to Indian paint companies and R-S to paint producers in Brazil, showing that rutile TiO_2 is interchangeably used.

xx. Indian coating manufacturer and distributors as per letters provided through Tronox confirm that R-C can effectively replace R-S and are interchangeable.

xxi. Tronox submitted that Brazil DECOM, European Commission, and Saudi Arabian Authority concluded that R-S and R-C are like products and interchangeable.

G.2 Views of the domestic industry

G.2. a Submissions in the original proceedings

40. The domestic industry has made the following submissions with regard to the scope of the product under consideration and like article in the original proceedings:

i. Exclusion of rutile grade as a whole cannot be accepted as the majority of domestic production and imports are of rutile grade, and KMML exclusively produces rutile-grade

TiO2.

ii. The domestic industry has submitted that Anatase grade of TiO2 is produced domestically by the domestic industry. Further, with respect to exclusion of rutile TiO2 through sulphate process, the domestic industry has submitted that the production process does not result in a distinct product. Furthermore, there is no significant difference in price or interchangeability between products made by the sulphate and chloride processes. Comparison between imported and domestically produced Rutile through Chloride reveals that the performance of the Rutile through Chloride of the domestic industry is highly comparable to the imported.

iii. Exclusions based solely on differences in production processes have not been accepted by Directorate General of Trade Remedies (DGTR) unless they result in different products.

iv. The domestic industry also opposes the respondent's contention of exclusion of TiO2 with particle sizes below 200nm and above 350nm, stating that these sizes are being produced and supplied domestically. The other interested parties have not provided any valid justificationfor restricting these particle sizes.

v. The contention regarding bright and bluish undertone rutile TiO2 by Indian Paint Association (IPA) is similarly contested by the domestic industry on the grounds that no distinctively different product has been demonstrated, and the parameters referred to by respondents are not substantiated with data. The BIS for Rutile TiO2 does not state characteristics such as 'bright' or 'blue' or 'bright and bluish' undertones. The undertone of a TiO2 product is inherently subjective and does not have measurable characteristics. No two TiO2 producers can offer exact uniformity in terms of brightness and undertone. Further, the domestic industry does offer products with bright and bluish undertones, which can be assessed through the Carbon Black Undertone (CBU) value range. Additionally, the opacity, brightness, and gloss values of the domestic industry's products are comparable, or in some cases, superior to those of imported products.

vi. The domestic industry opposes the exclusion of performance-grade TiO2, such as BLR 895 or LR 961 as BLR895 grade is not analogous to DI's RC822, but is highly comparable to DI's RC808 in compositional, surface coating, and performance attributes. DI's RC822 and RC822+ are comparable to imported BLR 896 and BLR896+ respectively while RC800 is the R-C domestic industry grade that is comparable to imported LR961. R-C by domestic industry has comparable physical and performance attributes including pH, opacity, gloss, durability etc, to imported R-C and satisfies the requirement of specific end uses such as decorative and industrial applications. Below specified are the R-C grades offered by domestic industry that are comparable to R-C imported grades mentioned by the other interested party in their submission:

R-C Imported	**Comparable R-C by DI**
BLR 895	RC 808
BLR 896	RC 822
BLR 896+	RC 822+
LR 961	RC 800

vii. With respect to exclusion of sulphate grades, such as BLR 698 or R 868 or BLR 601/ R 216, the domestic industry submits that they cannot be excluded on the basis of grade name of a specific producer as they are only names but International Standards to be adhered to.

viii. The domestic industry also submits that the sand milling process is necessary for both imported products and domestic products because it is an essential step in mixing raw materials for paint production. This process is required to ensure uniformity and proper dispersion of the product in industrial applications. Additional sand milling is required only when agglomeration levels of TiO2 are higher, whereas grade produced by the domestic industry offers high levels of dispersion and low agglomeration. The coverage of the domestic industry's rutile through chloride process is not inferior to that of imports, as evidenced by the scattering ability, high rutile percentage, and superior tint strength values.

ix. In response to PHDCCI and ASSOCHAM**,** the domestic industry submits that TiO2 used for making textiles (used at fibre/pulp stage), TiO2 rutile grade used for making décor paper(used at fibre/pulp stage), and TiO2 used for making food can be excluded from the scopeof PUC, as these products are not used as pigments. Additionally, TiO2 used for making skin care, pharmaceutical applications, and nano or ultrafine TiO2 with particle sizes below100nm can be excluded from the scope of PUC as the domestic industry does not producethese articles.

x. However, the domestic industry objects to ASSOCHAM'S contention of excluding TiO2 anatase grade used for making paper other than décor paper (used at fibre/pulp stage) on the ground that domestic industry is producing and selling this product.

xi. Further, the domestic industry submits that PVC application should also be considered as plastic application, as PVC is a type of plastic in this sense. TiO2 is used in making of masterbatches which are used in the plastic industry to add colour to plastic.

xii. Plastic industry constitutes around 25% of the demand of TiO2 in India and domestic industry manufactures grades consumed by the plastic industry. The application, being a major consumption for TiO2, is catered by the DI. Therefore, PVC application must be included in the scope of PUC.

xiii. The exclusion of rutile through sulphate based solely on differences in production processes is unjustified, as variations in methods do not inherently create a fundamentallydifferent product. Both rutile through sulphate and rutile through chloride share interchangeable uses and exhibit only the characteristics of the rutile crystal. Consumers often purchase both types, underscoring their functional equivalence. Additionally, the costof production for both processes is comparable, despite differences in raw materials. Notably, one of the applicants, TTPL, has the necessary technology and setup to producerutile through sulphate route and actively manufactures rutile Tio2 using this process.

G.2.b <u>Submissions in present remand back proceedings</u>

41. The domestic industry has made the following submissions with regard to PUC in the present proceedings:

i. TTPL produces and sells Rutile Sulphate Titanium Dioxide and the same has been shown by the domestic industry on multiple occasions.

ii. Application contained sufficient information and evidence that the domestic industry is producing and selling Rutile-Sulphate Titanium Dioxide (R-S TiO2) and Rutile-Chloride Titanium Dioxide (R-C TiO2).

iii. All evidence demonstrating that TTPL has been producing and selling R-S TiO2 was placed on record through the application and was part of the information during the course of the investigation.

iv. Evidence filed at various stages, including the application for initiation, subsequent written submissions, rejoinder submissions, verification documents, and post-hearing responses clearly establishes that TTPL manufactures Rutile grade TiO_2 through the Sulphate process.

v. Application included injury information, costing information, NIP information, production and sales information about Rutile-Sulphate grade of TiO2, which has been submitted by TTPL.

vi. Website of TTPL clearly shows the products that are sold under the category of Rutile Titanium Dioxide under heads such as 'Ajantox RD-1, Ajantox RD-1-PG, Ajantox RD-1-GP' along with its usage as "widely used for production of solvent and water based paints, paper, coatings, inks & plastics, etc.".

vii. Annexures and costing information filed by TTPL with the application filed shows that the company has produced and sold Rutile-Sulphate grade of TiO2. Such evidence includes production process flow chart, evidence of capacity, reported raw materials in Format VI-1, financial statements, cost audit report, trial balance, injury statement, costing formats.

viii. Letter dated 2nd July 2024 had explicitly clarified that TTPL produces R-S and letter dated 26th July 2024 clarified that the data submitted in the application had information separately for the PCNs considered and expressly stated that TTPL produces Rutile grade TiO2 through the Sulphate route.

ix. Written submissions of the domestic industry at paragraph 15 stated that the three applicant companies produce the PCNs that were included in the subject matter investigation.

x. At Paragraphs 2 and 3 of the rejoinder submissions of the domestic industry, it was reiterated that TTPL does produce and sell Rutile-Sulphate TiO2 in response to allegation of the other interested party.

xi. Verification documents of TTPL filed vide email dated 10th August 2024 provided evidence by way of invoices showing descriptions and HSN, quantitative details of opening, closing stock, production and sales, and production and sales quantities and summaries.

xii. It was verified that TTPL has the necessary technology and setup to produce Rutile-Sulphate grade TiO2 and that it has manufactured and sold Rutile-Sulphate grade TiO2 during the POI.

xiii. Consumption of sulphur for production of sulphuric acid and production/consumption/ costs of sulphuric acid in production of Rutile-Sulphate TiO2 was verified by the Authority.

xiv. Authority determined separate NIP for R-S TiO2 produced and sold by TTPL, and the same was disclosed.

xv. Invoices submitted with the email dated 7th February 2025 are simply supporting evidence of early contentions made and not new facts that were brought on record.

xvi. No necessity for the sales invoices to be specifically highlighted as proof of sales of Rutile-Sulphate TiO2 by TTPL as information showing production, cost of production, raw materials consumed, details of consumption of raw materials and utilities, NIP claims, expenses incurred in production and sale of the grade, trial balance are part of the information and evidence provided.

xvii. There have been repeat orders by customers for R-S TiO2 and sales of Rutile Sulphate Titanium Dioxide was made throughout the injury period as is seen from the injury statement submitted.

xviii. Various evidences including production process flow chart, capacity evidence, injury statement, annual reports, costing formats, cost audit reports, written and rejoinder submissions, invoices, sales summaries, stock, trial balances, were provided over the course of the investigation, showing production and sales of Rutile-Sulphate by TTPL.

xix. Rutile-Sulphate and Rutile-Chloride are interchangeable and commercially substitutable products, sharing similar physical and chemical characteristics, end uses, and channels of distribution.

xx. KMML is the largest producer of the subject goods and has produced and sold Rutile-Chloride TiO2 during the injury period of the subject matter investigation, while TTPL produced and sold Rutile-Sulphate TiO2.

xxi. R-S and R-C have the same rutile crystal structure and hence both exhibit only the characteristics of the rutile crystal. R-S matches R-C in all essential physical and chemical properties including Refractive Index, TiO2 content, kind of inorganic surface coating, pH, specific gravity, bulk density etc

xxii. Both the domestic and imported R-C TiO2 grades are recommended in similar applications.

xxiii. Chemical composition of Rutile TiO2 itself remains unchanged regardless of whether produced by the sulphate route or the chloride route, and regardless of the raw material used.

xxiv. Common category of customers for KMML and TTPL, and even common customers, despite one company selling Rutile-Chloride and the other selling Rutile-Sulphate clearly shows that even consumers use Rutile-Chloride in substitution to Rutile-Sulphate and vice versa.

xxv. Consumers shift their consumption from major international R-C grades to Chinese made R-S grades for same applications which is proven by major manufacturers now using 60% or above of Chinese R-S grades or KMML R-C grades (some are over 90%) compared to near 30% use of Chinese R-S grades 3 to 4 years back.

xxvi. ***, a paint company has imported significant volumes of R-S TiO2 from China while also buying a significant volume of R-C TiO2 from KMML, showing that the two are interchangeable.

xxvii. Brazilian Authority in its anti-dumping investigation on imports of Titanium Dioxide from China, clearly held that both R-S and R-C result in chemically and functionally similar final products that are used interchangeably in overlapping industrial applications

xxviii. European Commission in its findings found that R-S and R-C are interchangeable.

xxix. In its final findings in the anti-dumping investigation into imports of TiO2 from China, the Saudi General Authority of Foreign Trade held that Rutile grade titanium dioxide produced through chloride and sulphate routes are interchangeable.

xxx. TTPL has supplied to major paint users historically, and transactions evidence acceptance of TTPL's grades by top industry participants.

xxxi. CAS No. 1317-80-2 corresponds to rutile titanium dioxide as a whole, and allegations that it denotes nanoparticles are incorrect.

xxxii. Market practice and verification show overlapping customers using both R-S and R-C, and users substitute between them across paints, coatings, plastics, paper.

xxxiii. Claims that only coated R-S is relevant are misplaced. Uncoated R-S is used by paint companies and KMML's R-C covers the same applications and offers bluish undertone rutile grades meeting user specifications.

xxxiv. IPA's reliance on Technova case to demand "commercial volume" exclusion is selective. Parallel CESTAT orders on the same issue are stayed by the Delhi High Court with no finality to the proposition.

xxxv. TTPL's historical R-S supply from 2002 and reported year-wise domestic sales across the injury period show that sales made by TTPL is not miniscule by any measure and it has sold in commercial volumes.

xxxvi. Requests to exclude Anatase-Sulphate TiO2 from the scope of the PUC are untenable as continuous dumping has caused injury and decreased utilisation. Imposition of duty would merely restore fair competition and imports can continue to meet the gap at fair prices.

xxxvii. Cosmetic-grade exemption is tied to stringent BIS-grade uses (leave-on cosmetics) and not generic wash-off products like toilet soaps. Misuse of "cosmetic grade" declarations to divert to industrial uses should not create a blanket exclusion.

G.3. a. Examination by the Authority

42. The product under consideration (hereinafter also referred to as the "PUC" or the "subject good") as defined at the stage of initiation (in original proceedings) was as follows:

43. The product under consideration in the present application is "**Titanium Dioxide, excluding food, pharma, skin-care, textile and fibre application and nano or ultrafine titanium dioxide having particle size below 100 nm"**

Specific Exclusions from the scope of the product

44. Specifically excluded from the scope of product under consideration are titanium dioxide meant for following applications or specification:
    - *i.* food
    - *ii.* pharma
    - *iii.* skin-care
    - *iv.* textile
    - *v.* fibre application
    - *vi.* Nano or ultrafine titanium dioxide having particle size below 100 nm

General Properties of the product

45. Titanium dioxide (TiO2) is a white inorganic compound extracted mainly from mineral ores and is used in a vast number of diverse products. The principal naturalsource of TiO2 is mined Ilmenite ore which contain 30 – 60% TiO2. Pure TiO2 is produced from Ilmenite ore either using chloride or sulphate process.

46. The subject good in the present investigation i.e. TiO2 are pigments. Titanium dioxidecan be broadly classified into Pigmentary TiO2 and Nano/Ultrafine TiO2, based on its particle size. Pigmentary titanium dioxide is approximately 200 – 350 nm in dimension which forms 98 % of the total

production and is used mainly for its high refractive index and consequent scattering of visible light and high opacity. In other words, 98% of the global production of titanium dioxide is used as a pigment.

Grades of Titanium Dioxide-Rutile and Anatase Grades

47. The petitioners/applicants are manufacturing **rutile and anatase grades** of titanium dioxide which are two forms of titanium dioxide depending on their crystal structure.

48. Rutile is a mineral composed primarily of titanium dioxide. Rutile is produced from ilmenite, which is a mixture of titanium, ferrous iron and ferric iron. Rutile is the most common natural form of TiO2. Rutile has among the highest refractive indices of anyknown mineral and exhibits high dispersion. Natural rutile may contain up to 10% iron and significant amounts of niobium and tantalum.

49. Anatase grade of TiO2 is produced from ilmenite, which is a mixture of titanium, ferrous iron and ferric iron. It has a very high degree of whiteness. Titanium in ilmenite is extracted by reacting this raw material with sulphuric acid. Titanium goesinto the solution as titanium oxy sulphate. Titanium dioxide anatase is obtained fromtitanium oxy sulphate by injecting live steam and dewatering the treated pulp.

Uses

50. Titanium dioxide is the brightest and whitest of the known pigments and is the most sought white pigment in applications such as paints & coatings, plastics, papers, rubbers and inks on account of its high refractive index and UV resistance. The highrefractive index imparts high whiteness and hiding power (opacity) to the endproducts. TiO2 pigment also finds application as energy saver as it reduces need of air conditioning because of light reflecting qualities when used in paint coatings on the outside of buildings in warm climates.

Tariff Classification

51. The product under consideration can be classified under **Chapter 28 and 32** of theCustoms Tariff Act, 1975. The dedicated code for the product under Chapter 28 is **28230010**. However, since it is a pigment, imports are also being reported under **32061110 and 32061190**. However, it is possible that the subject goods may be imported under other heading and therefore, the customs classifications areindicative only and not binding on the scope of the present investigation."

52. The domestic industry initially proposed the PCN methodology based on the crystalline structurei.e., Anatase and Rutile only.

53. Various comments on the scope of the PUC and the PCN methodology were received from the interested parties. A meeting to discuss the same was held on 3rd June 2024. The following are the comments received from interested parties with regards to scope of PUC, and PCN methodology.

54. After examining the transaction wise import data called from DG System and submissions of the interested parties, the Authority observed a significant difference in the import prices of Rutile Chloride (R-C) and Rutile Sulphate (R-S). Accordingly, the Authority deemed it necessary to

establish separate PCNs for fair comparison of both products for the purpose of this investigation

55. The Authority confirms the scope of the product under consideration as stated above and with regard to exclusion requests made and concerns expressed by the interested parties it observes as follows :

a. **Rutile through sulphate TiO2 should be excluded-** With respect to submissions alleging that the domestic industry does not produce rutile through sulphate process, the Authority notes that the Indian industry produces rutile grade through sulphate process as well as chloride process. Further, it is noted that TTPL, has the necessary technology and setup to produce rutile through sulphate route and has manufactured and sold rutile Tio2 produced using sulphate process during POI. Further, as noted above the contention that R-S should be excluded from the scope of the product under consideration, the Authority holds that exclusion of R-S from the scope of the investigation would not be appropriate even in a possible situation where the domestic industry has not sold R-S to IPA members during the POI or for same application, but the same has been sold to other customers. Under the Rules, the Authority is required to determine whether the domestic industry has produced like article to the PUC. Further, the R-C sold by KMML is a like article to R-S. Both sulphate-route rutile and chloride-route rutile share interchangeable applications. Consumers routinely use and purchase both types, showing the similarity and interchangeability between the two. Therefore, the Authority disagrees with the exclusion sought for this product type.

b. **TiO2 with particle sizes below 200 nm and above 350 nm-** The interested parties have argued that TiO2 with particles size below 200 nm and above 350 nm should be excluded.It is noted that subject goods below particle size 100 nm is already exempted from the scope of product under consideration. Further, information on record shows that all the grades of TiO2 with particles size above 100nm is being produced and sold by the applicants. Thus, the product scope excludes only particle size below 100 nm.

c. **TiO2 rutile with bright and bluish undertone, Performance Grade TiO2 (BLR 895 or LR961) and Sulphate Grades (BLR 698/R 868 or BLR 601/R 216) -** The interested parties have requested that certain grades, including TiO2 Rutile grade with a bright and bluish undertone, performance grades, and specific sulphate grades, be excluded. However, the authority notes that these requests are not supported by credible scientific data showing differences in physical or chemical characteristics or end uses compared to the domestic products. The domestic industry has asserted that it provides comparable products and contends that exclusions should not be based solely on grade names created by individual producers. These grade names are specific to the producers and do not align with international standards. Since consumers use these products interchangeably, the authority holds that there is no evidence to justify the exclusion of these product types.

d. **TiO2 anatase grade for making paper other than décor (used at fibre/pulp stage)-** The interested party has requested that anatase grade for making paper be excluded from the scope of the product under consideration. The domestic industry has submitted that the domestic industry produces and has sold material to consumers for production of papers (other than décor paper). Since the domestic industry produces this product, the Authority disagrees with this exclusion request.

e. **<u>TiO2 for certain applications- Rutile grade for making décor paper and TiO2 used in theproduction of textiles, food</u>**- The interested parties have requested that TiO2 used in the production of textiles and food, and rutile grade used for producing décor paper may be excluded from the scope of product under consideration. The domestic industry has agreed with such request for exclusion as TiO2 in these applications is not used as a pigment. The Authority excludes TiO2 for these applications.

f. **<u>Nano or ultrafine-</u>** The domestic industry and interested parties have agreed with exclusion of nano or ultrafine as the domestic industry does not produce this article and the demand for this product is low. The Authority accordingly excludes this product type from the scope of product under consideration.

g. **<u>TiO2 for skin care and pharmaceutical applications-</u>** The interested parties have requested that TiO2 used for skin care and pharmaceutical applications may be excluded from the scope of product under consideration. The domestic industry has agreed with such requestfor exclusion as TiO2 for these applications is not being produced by the domestic industry. The scope of product under consideration thus will exclude TiO2 for skin care and pharmaceutical applications.

56. In view of the above, the Authority holds the product under consideration and product control numbers (PCNs) as below:

57. The product under consideration in the present application is "**Titanium Dioxide, excluding food, pharma, skin-care, textile and fibre application and nano orultrafine titanium dioxide having particle size below 100 nm"**

<u>Specific Exclusions from the scope of the product</u>

58. Specifically excluded from the scope of product under consideration are titanium dioxide meant for following applications or specification:

S No.	Product excluded	Description of the excluded product and details
1	Food	TiO2 used in food additives like food colouring
2	Pharma	TiO2 used as ingredient in tablet film coatings
3	Skin-care	TiO2 is used in cosmetics and sunscreen lotions for UV- absorbing and photocatalyst applications

4	Textile	TiO2 used in production of textile/fibre. TiO2 which is used in the production of textiles and fibres largely because of its photo-catalytic self-cleaning, UV-protection and delustering abilities, etc. is excluded from the scope ofproduct under consideration. **However, such exclusion does not extend to the TiO2 that is used as a pigment for printing over thetextile/garment/cloth/fabric.**
5	Fibre	TiO2 is used for delustering the artificial fibre and this fibre is used to product the textiles. Fibre grade materials are used to blend with fibre threads to make the cloth itself.TiO2 Rutile grade for making décor paper (used at fibre/pulp stage).
6	Nano or ultrafine	Nano or ultrafine titanium dioxide having particle size below 100 nm used in textile/paint industry to offercharacteristics such as dust free textile/paint

PCN Methodology

PCN	PCN Code
Rutile -Chloride	R-C
Rutile- Sulphate	R-S
Anatase-Sulphate	A-S

59. The Authority notes that the product produced by the applicants and the product under consideration imported from the subject country is comparable in terms of physical and chemical characteristics, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification of the goods. The Authority holds that the subject goods produced by the applicants' companies is like article to the product under consideration imported from the subject country within the scope and meaning of Rule 2(d) of the Anti-dumping Rules.

H. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

H.1 Submissions by other interested parties

60. No submissions have been made by other interested parties with regard to the scope of domestic industry and its standing.

H.2 Submissions by domestic industry

61. The applicants have made the following submissions with regard to the scope of domestic industry and standing:
    i. The application has been filed by M/s. Kerala Minerals and Metals Ltd, M/s. Travancore Titanium Products Ltd and M/s. VV Titanium Pigments Pvt. Ltd.

ii. The applicants comprise of all the producers in India involved in the manufacturing of the PUC. Applicants have neither imported nor are related to any importer or exporter of subject goods.

iii. The applicants constitute a 'major proportion' of the total Indian production and satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules.

H.3 Examination by the Authority

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

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

63. The present application has been filed by M/s Kerala Minerals and Metals Ltd, M/s Travancore Titanium Products Ltd and M/s VV Titanium Pigments Pvt. Ltd. The applicants are the only producers of subject goods in the POI in the country. There are no other domestic producers of subject goods.

64. The applicants have not imported the subject goods and are not related to either an importer or exporter of subject goods from subject country. Information on record shows that the applicants account for 100% of Indian production in the POI. The application thus, satisfies the criteria of standing in terms of Rule 5(3) of the Rules. Therefore, the Authority holds that the applicants/petitioners as the eligible domestic industry. Further, the applicants constitute the domestic industry.

I. SAMPLING OF FOREIGN PRODUCERS

65. A large number of producers and exporters of the subject goods from China submitted questionnaire response. In view of the large number of producers and exporters, the Authority decided to resort to sampling in the present investigation in accordance with the provisions of Rule 17(3). Based on the questionnaire responses filed before the Authority, the following threegroups were chosen for individual dumping margin determination.

i **<u>LB Group</u>** comprising of following producers/exporters- Henan Billions Advanced Material Co., Ltd., LB Group Co., Ltd., LB Lufeng Titanium Industry Co., Ltd., LB Sichuan Titanium Industry Co., Ltd, LB Xiangyang Titanium Industry Co., Ltd, Billions (Hong Kong) Corporation Limited and Billions Europe Ltd, UK.

ii **<u>Gold Star Group</u>** comprising of producer/exporter- Anhui Gold Star Titanium **<u>Dioxide</u>** (Group) Co., Ltd and Anhui Gold Star Titanium Dioxide Trading Co., Ltd.

iii **<u>Shandong Group</u>** comprising of producer/exporter- Shandong Xianghai Titanium Co., Ltd. and Shandong Jinhai Titanium Resources Technology Co., Ltd.

66. The Authority vide email dated 29.08.2024 intimated all the interested parties regarding the sampling methodology and the sampled groups for further investigation and sought the comments from them. The comments sent by the interested parties were examined by the Authority and thefinal sampled groups of exporters/producers were intimated vide notification no F.No.- 06/03/2024 dated 7th October, 2024. The Authority also informed the interested parties that these producers along with their associated exporters were proposed to be considered for determinationof individual dumping margin.

67. The Authority invited comments from the interested parties. The submissions made by the interested parties are briefly as under.

I.1 Submissions by other interested parties

68. There were no submissions made by other interested parties in this regard.

I.2 Submissions made by the domestic industry

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

i. 21 producers have filed questionnaire responses as per the interested parties' list, which is a high number to permit individual determination.
ii. Given the low volumes of exports by certain parties, it is obvious that their product profile and exports pattern is not representative of exports into India, in terms of both product profile and time period.
iii. In the past, Chinese producers who have had negligible export volumes in the POI, after getting individual lower duty, flood the Indian market.
iv. The global norm in sampling is to consider at most three companies:
    a. In **Ceramic Tiles from India**[1], Europe originally considered two companies and refused to extend sampling size to three companies even following aggressive representations from the company at number 3.
    b. In **Wood Pulp from Canada**[2], China's Ministry of Commerce (MOFCOM) refused to individually determine dumping margin for the company at number 3 even though the companies in the first three places were exporting almost equal volume.
    c. The USA considers more than two companies as 'unduly burdensome'. In the matterof **Quartz Surface Products from India**[3], out of 50 companies considered, investigation and determination of dumping margin was carried out only for two companies, the results of which were extended to the others.

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[1] European Commission (2024). *Commission Implementing Regulation (EU) 2024/804 of 7 March 2024* (OfficialJournal of the European Union, L 63, 1-25).
[2] "Symposium on State-Owned Enterprises in China," *World Trade Review* 16, no. 4 (October 2017): 750–752.
[3] "Certain Quartz Surface Products From India: Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review; 2022–2023," *Federal Register*, Vol. 89, No. 131, pp 56292-56295, Tuesday, July 9, 2024.

v. Filing of questionnaire response on voluntary basis cannot be grounds to determine individual dumping margin.

I.3. Examination by the Authority

70. After reviewing the comments from interested parties, the export data was organized in descending order of production of PUC. Based on the largest percentage of export volume to India from China during the POI, three (3) producers, along with their associated exporters/producers, were selected for the determination of the dumping margin. These 3 sampled producers/exporters group contribute to about 49% of exports during the POI, makingthem an appropriate and representative sample. Therefore, the Authority has considered the sampled producers to determine dumping margin and the dumping margin for non-sampled cooperating producers/ exporters from China PR would be determined on the basis of the same.

J. MARKET ECONOMY TREATMENT, DETERMINATION OF NORMAL VALUE, EXPORT PRICE, AND DUMPING MARGIN

J.1. Submissions made by other interested parties

71. Following submissions have been made by other interested parties with regards to the normal value, export price and dumping margin:
    i. Market economy status should be granted to China PR based on the development of the market economy of China. Article 15(a)(ii) of China's Accession Protocol expired on December 11, 2016.
    ii. After 11th December 2016, anti-dumping regulations cannot contain any provisions allowing for the establishment of the normal value for the Chinese exporting producers on a basis other than their domestic prices and costs.
    iii. India has no legal basis under the WTO Agreement to calculate normal value in anti-dumping investigation for products from China PR using the non-market economy methodology. Any such action by India would be inconsistent with the requirements of the Agreement on Implementation of Article VI of the GATT.
    iv. The surrogate country methodology is no longer applicable in calculating normal value, regardless of whether China PR is treated as a market economy due to the principle of pacta sunt servanda, Section 15 of China's Accession Protocol to WTO and Appellate Body Report on EC- Fasteners initiated by China PR.
    v. China PR should not be treated as a non-market economy as per China's accession protocol to WTO, the same was also confirmed by the WTO Appellate Body in "EC-Fasteners". US and EU in their respective bilateral agreement with China PR had also noted about the expiry of non-market economy status after 15 years after China enters WTO.

J.2. Submissions made by the domestic industry

72. The submissions of the domestic industry with regards to the normal value, the export price and the

dumping margin, are as follows:

i. China should be considered a non-market economy country and normal value in case of the producers/exporters from China PR should be determined in accordance with para-7 read with para 8 (2) and 8(3) of Annexure I of the AD Rules. In terms of Para 8 in Annexure I to the AD Rules, it is presumed that the producers of the subject goods in China PR are operating under non-market economy conditions. Therefore, normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure I to the AD Rules.

ii. Article 15 (d) of the Protocol, the provision of 15(a)(ii) has expired in December 2016 i.e., 15 years after China PR's accession to the WTO. However, Article 15(a)(i), which provides for presumption of non-market economy for China PR, is still in force. Hence, a valid presumption exists that China PR is a non-market economy country for anti-dumping investigations.

iii. The Authority shall follow Para 1 – 6 of Annexure I for the determination of normal value only if the responding Chinese companies establish that their costs and price information is such that individual normal value and dumping margin can be determined. If the responding Chinese companies are not able to demonstrate that their costs and price information can be adopted, the Designated Authority shall reject the claim of individual dumping margin.

iv. Paragraph 1 to 6 of Annexure I of the Rules does not apply for computation of normal value for imports from China PR, unless a producer/exporter shows with sufficient evidence that he is operating under market economy conditions. As a result, normal value for China PR has to be determined in terms of Para 7 of Annexure I of the Rules.

J.3. Examination by the Authority

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

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

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

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

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

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transhipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined *with reference to its price in the country of origin.*

74. The Authority sent questionnaires to the known producers/exporters from the subject country, aswell as to the appropriate diplomatic representative advising them to provide information in the form and manner prescribed by the Authority within the prescribed time limit. The Authority received questionnaire responses from the following exporters/producers:

    i. Henan Billions Advanced Material Co., Ltd.
    ii. LB Group Co., Ltd.
    iii. Lb Lufeng Titanium Industry Co., Ltd.
    iv. Lb Sichuan Titanium Industry Co., Ltd
    v. Lb Xiangyang Titanium Industry Co., Ltd
    vi. Billions (Hong Kong) Corporation Limited
    vii. Anhui Gold Star Titanium Dioxide (Group) Co., Ltd.
    viii. Anhui Gold Star Titanium Dioxide Trading Co., Ltd.
    ix. Yibin Tianyuan Haifeng Hetai Co., Ltd
    x. Yibin Tianyuan Group Co., Ltd
    xi. Efon (Hongkong) Company Limited
    xii. Shandong Xianghai Titanium Co., Ltd.
    xiii. Shandong Jinhai Titanium Resources Technology Co., Ltd.
    xiv. Chongqing Titanium Industry Co., Ltd. of Pangang Group
    xv. Pangang Group Titanium Industry Co., Ltd.
    xvi. Pangang Group Chengdu Vanadium & Titanium Resources Development Co., Ltd.
    xvii. Pangang Group Chongqing Vanadium & Titanium Technology Co., Ltd.
    xviii. Jiangxi Tikon Titanium Products Co Ltd (A Tronox Company)
    xix. Kunming Donghao Titanium Co., Ltd.
    xx. Inter China Chemical Co., Ltd.
    xxi. Anhui Annada Titanium Industry Co., Ltd.
    xxii. Shandong Doguide Group Co., Ltd.
    xxiii. Qianjiang Fangyuan Titanium Industry Co., Ltd.
    xxiv. Jinan Yuxing Chemical Co., Ltd.
    xxv. Ningbo Xinfu Titanium Dioxide Co., Ltd.
    xxvi. Ningbo Xinfu Chemical Marketing Co., Ltd.
    xxvii. Shandong Dawn Titanium Industry Co. Ltd.

75. The Authority has sampled following three groups which includes related traders and producers:
    i. <u>LB Group</u> comprising of following producers/exporters- Henan Billions Advanced Material Co., Ltd., LB Group Co., Ltd., LB Lufeng Titanium Industry Co., Ltd., LB Sichuan Titanium Industry Co., Ltd, LB Xiangyang Titanium Industry Co., Ltd, Billions (Hong Kong) Corporation Limited and Billions Europe Ltd, UK.
    ii. <u>Gold Star Group comprising of producer/exporter- Anhui Gold Star Titanium Dioxide (Group) Co., Ltd and Anhui Gold Star Titanium Dioxide Trading Co., Ltd.</u>
    iii. <u>Shandong Group comprising of producer/exporter- Shandong Xianghai Titanium</u> Co., Ltd.and Shandong Jinhai Titanium Resources Technology Co., Ltd.

76. The normal value and export price for all producers/ exporters from the subject country have been determined as below.

J.3.1. Normal Value

77. 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 WO Member shall use Chinese pricesor 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 investigationcannot 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 SCMAgreement 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 notifymethodologies used in accordance with subparagraph (b) to the Committee on Subsidies andCountervailing Measures.
d) Once China has established, under the national law of the importing WTO Member, thatit is a market economy, the provisions of subparagraph (a) shall be terminated provided thatthe importing Member's national law contains market economy criteria as of the date of accession. In any event; the provisions of subparagraph (a)(ii) shall expire 15 years after thedate 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 orsector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to thatindustry or sector. "

78. It is noted that while the provision contained in Section 15 (a)(ii) has expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO Anti-dumping Agreement read with the obligation under Section 15(a)(i) of the Accession Protocol require criterion stipulated in paragraph 8 of Annexure I of the Rules to be satisfied through the information/data to be provided in the supplementary questionnaire on claiming market economy treatment.

79. At the stage of initiation, the Authority proceeded as per the information made available by the domestic producers on the cost of production of the subject goods with due addition of SGA and profits. Upon initiation, the Authority advised the producers/ exporters in China PR to respond to the notice of the initiation and provide information relevant to the determination of their market economy status. The Authority sent copies of the supplementary questionnaire to all the known producers/ exporters for rebutting the presumption of a non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules and furnish relevant detailed information. The Authority also requested the Government of China PR to advise the producersexporters in China PR to provide the relevant information.

80. None of the exporters/producers contested the non-market economy status of China. Thus, in view of the above position and in the absence of rebuttal of the non-market economy presumptionby any Chinese exporting company, the Authority considers it appropriate to treat China PR as anon-market economy country in the present investigation and proceeds with para 7 of Annexure-I to the Rules for determination of normal value in case of China PR.

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

> *"In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall beselected by the designated authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The partiesto the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period oftime to offer their comments."*

82. In the absence of sufficient information on record regarding the other methods enshrined in Para7 of Annexure I of the AD Rules, the Authority has determined the normal value by consideringthe method on "any other reasonable basis".

83. The Authority has therefore constructed the normal value for China PR on the basis of cost of

production in India, duly adjusted, including selling, general and administrative expenses and reasonable profits. The constructed normal value so determined for Chinese producers/exportersis mentioned in the dumping margin table below.

J.3.2. Export Price for all sampled producers and exporters

A) LB Group (Sampled)

- **i. M/s. LB Group Co Ltd.**
- **ii. M/s. LB Lufeng Titanium Industry Co. Ltd.**
- **iii. M/s. LB Sichuan Titanium Industry Co. Ltd.**
- **iv. M/s. LB Xiangyang Titanium Industry Co. Ltd.**
- **v. M/s. Henan Billions Advanced Material Co. Ltd**
- **vi. M/s. Billions (Hong Kong) Corporation Limited**
- **vii. M/s Billions Europe Ltd., UK**

84. **LB Group Co., Ltd**. was established on August 20, 1998 as a public listed company in accordance with Company Law of the People's Republic of China.

85. During the POI, LB Group Co., Ltd., has sold *** MT subject goods to India. Out of this, the producer/exporter has sold *** MT indirectly through a related exporter/trader namely, Billions (Hong Kong) Corporation Limited, Hong Kong. It is further noted that out of this *** MT, Billions (Hong Kong) Corporation Limited, Hong Kong has sold *** MT to India directly and rest of *** MT has been sold to India indirectly through another related exporter/trader namely, Billions Europe Ltd., UK. The producers/exporters have claimed adjustments on accounts of ocean, freight, insurance, inland transportation, port and other related expenses, bank charges and commission to arrive at net export price at ex-factory level and the net export price so determined is as shown in the dumping margin table.

86. **LB Lufeng Titanium Industry Co., Ltd**. was established on April 20, 2015 as a limited liability company in accordance with Company Law of the People's Republic of China.

87. During the POI, LB Lufeng Titanium Industry Co., Ltd. has sold *** MT subject goods to India. Out of this, the producer/exporter has sold *** MT indirectly through a related exporter/trader namely, Billions (Hong Kong) Corporation Limited, Hong Kong. The producers/exporters have claimed adjustments on accounts of ocean, freight, insurance, inland transportation, port and other related expenses, bank charges and commission to arrive at net export price at ex-factory level and the net export price so determined is as shown in the dumping margin table.

88. **LB Sichuan Titanium Industry Co., Ltd.** was established on February 21, 2001 as a limited liability company in accordance with Company Law of the People's Republic of China.

89. During the POI, LB Sichuan Titanium Industry Co., Ltd. China PR, has sold *** MT subject goods to India. Out of this, the producer/exporter has sold *** MT indirectly through a related exporter/trader namely, Billions (Hong Kong) Corporation Limited, Hong Kong. It is further noted

that out of this *** MT, Billions (Hong Kong) Corporation Limited, Hong Kong has sold *** MT to India directly and rest of *** MT of subject goods Billions (Hong Kong) Corporation Limited, Hong Kong has sold to India indirectly through another related exporter/trader namely, Billions Europe Ltd., UK. The producers/exporters have claimed adjustments on accounts of ocean, freight, insurance, inland transportation, port and other related expenses, bank charges and commission to arrive at net export price at ex-factory level and the net export price so determined is as shown in the dumping margin table.

90. **LB Xiangyang Titanium Industry Co., Ltd.**, China PR, was established on April 29, 2011 as a limited liability company in accordance with Company Law of the People's Republic of China.

91. During the POI, LB Xiangyang Titanium Industry Co., Ltd., China PR, has sold *** MT subject goods to India. Out of this, the producer/exporter has sold *** MT indirectly through a related exporter/trader namely, Billions (Hong Kong) Corporation Limited, Hong Kong. The producers/exporters have claimed adjustments on accounts of ocean, freight, insurance, inland transportation, port and other related expenses, bank charges and commission to arrive at net export price at ex-factory level and the net export price so determined is as shown in the dumping margin table.

92. **Henan Billions Advanced Material Co., Ltd.** was established on May 19, 2016 as a limited liability company in accordance with Company Law of the People's Republic of China.

93. During the POI, Henan Billions Advanced Material Co., Ltd., has sold *** MT subject goods to India. Out of this, the producer/exporter has sold *** MT indirectly through a related exporter/trader namely, Billions (Hong Kong) Corporation Limited, Hong Kong. It is further noted that out of this *** MT, Billions (Hong Kong) Corporation Limited, Hong Kong has sold *** MT to India directly and rest of *** MT of subject goods Billions (Hong Kong) Corporation Limited, Hong Kong has sold to India indirectly through another related exporter/trader namely, Billions Europe Ltd., UK. The producers/exporters have claimed adjustments on accounts of ocean, freight, insurance, inland transportation, port and other related expenses, bank charges and commission to arrive at PCN-wise weighted average of export price at ex-factory level and the ex-factory export price so determined is as shown in the dumping margin table.

B) Gold Star Group (Sampled)

i. M/s. Anhui Gold Star Titanium Dioxide (Group) Co. Ltd.

ii. M/s. Anhui Gold Star Titanium Dioxide Trading Co. Ltd.

94. **Anhui Gold Star Titanium Dioxide (Group) Co. Ltd.** was established as a limited liability company in accordance with Company Law of the People's Republic of China, on January 18, 1996.

95. During the POI, Anhui Gold Star Titanium Dioxide (Group) Co., Ltd., China PR, has sold *** MT subject goods to India indirectly through a related exporter/trader namely, Anhui Gold Star Titanium Dioxide Trading Co., Ltd., China PR on ex-works basis. The producer/exporter has claimed no

adjustments to arrive of export price at ex-factory level and the net export price so determined is as shown in the dumping margin table.

96. **M/s. Anhui Gold Star Titanium Dioxide Trading Co., Ltd.**, was established as a limited liability company in accordance with Company Law of the People's Republic of China, on October 20, 2017.

97. During the POI, Anhui Gold Star Titanium Dioxide Trading Co., Ltd., has sold *** MT subject goods to India. Out of this, the producer/exporter has sold *** MT of subject goods from its related producer/exporter namely M/s. Anhui Gold Star Titanium Dioxide (Group) Co., Ltd., China PR. The producer/exporter has claimed adjustments on accounts of ocean, freight, insurance, inland transportation, port and other related expenses, bank charges and commission to arrive at net export price at ex-factory level and the net export price so determined is as shown in the dumping margin table.

C) Shandong Group (Sampled)

i. M/s. Shandong Xianghai Titanium Co. Ltd.

ii. M/s. Shandong Jinhai Titanium Resources Technology Co. Ltd.

98. **M/s. Shandong Xianghai Titanium Co., Ltd**., was established on October 16, 2013 as a limited liability company in accordance with Company Law of the People's Republic of China.

99. During the POI, Shandong Xianghai Titanium Co., Ltd., has sold *** MT subject goods to India. The producers/exporters have claimed adjustments on accounts of ocean, freight, insurance, inland transportation, port and other related expenses, bank charges and commission to arrive at net export price at ex-factory level and the ex-factory export price so determined is as shown in the dumping margin table.

100. **M/s. Shandong Jinhai Titanium Resources Technology Co., Ltd. China PR,** was establishedon April 24, 2012 as a limited liability company in accordance with Company Law of the People's Republic of China.

101. During the POI, Shandong Jinhai Titanium Resources Technology Co., Ltd. China PR, has sold *** MT subject goods to India directly. The producers/exporters have claimed adjustments on accounts of ocean, freight, insurance, inland transportation, port and other related expenses, bank charges and commission to arrive at net export price at ex-factory level and the ex-factory export price so determined is as shown in the dumping margin table.

D) Non sampled cooperating producers/exporters

102. The Authority considers the weighted average dumping margin evaluated on the basisof individual dumping margins for the producers/exporters of the sampled category. This weighted average dumping margin has been accorded to the non-sampled category of producers/exporters of subject goods and has been mentioned in the dumping margin table.

E) Non-cooperating producers/exporters

103. The Authority has determined the export price for non-cooperating producers/ exporters from China PR after considering the volume and value of imports based on data of cooperating producers from China PR. Adjustments have been made for ocean freight, inland freight, insurance, handling charges, commission, and bank charges. The export price so determined is stated in the below – mentioned dumping margin table.

J.3.3 Determination of dumping margin

104. Considering the normal value and export price determined, as explained above, it is determined that the dumping margin is more than the de-minimis limit prescribed under the Rules.

105. It is noted that many cooperating producers and exporters are related to each other and form a group of related companies. It has been a consistent practice of the Authority to consider relatedexporting producers and exporters as one single entity for the determination of a dumping marginand thus to establish one single dumping margin for them. This is in particular because calculatingindividual dumping margins might encourage circumvention of anti-dumping measures, thus rendering them ineffective, by enabling related exporting producers to channel their exports to India through the company with the lowest individual dumping margin.

106. In accordance with the above, related producers and exporters is regarded as onesingle entity and attributed one single dumping margin which was calculated on the basis of theweighted average of the dumping margins of the cooperating related producers and exporters.

<u>Dumping Margin (DM) Table</u>

S.No.	Producer	CNV ($/MT)	Net Export Price ($/MT)	Dumping Margin (DM) ($/MT)	DM (%)	DM Range (%)
1.	M/s Anhui Gold Star Titanium Dioxide (Group) Co., Ltd.	***	***	***	***	60-70
2.	M/s Anhui Gold Star Titanium Dioxide Trading Co., Ltd.					
3.	M/s Shandong Jinhai Titanium Resources Technology Co., Ltd.	***	***	***	***	40-50
4.	M/s Shandong Xianghai Titanium Co., Ltd.					
5.	M/s LB Xiangyang Titanium Industry Co Ltd, and	***	***	***	***	35-45

6.	M/s LB Sichuan Titanium Industry Co., Ltd.					
7.	M/s LB Lufeng Titanium Industry Co., Ltd.					
8.	M/s LB Group Co., Ltd.					
9.	M/s Henan Billions Advanced Material Co., Ltd.					
10.	**Non-Sampled Cooperative Producers/Exporters**	***	***	***	***	40-50
11.	**Residual**	***	***	***	***	90-100

K. ASSESSMENT OF INJURY AND CAUSAL LINK

K.1. Views of the other interested parties

K.1.a Views of other interested parties in original proceedings

107. The following submissions were made by the other interested parties with regard to injury and causal link:

i. Import volume data shows significant reliance on imports to meet domestic demand, particularly from China PR.
ii. Imports have shown steady increase in tandem with increase in demand in the POI.
iii. Sales of the domestic industry have increased slightly while imports from other countries declined in the POI.
iv. Domestic industry is unable to meet the increasing demand for the subject goods and the demand supply gap highlighting the need for imports.
v. Grade-wise examination would enable a clearer assessment of how different quality grades have contributed to changes in cost and pricing dynamics. This approach will allow identification of grades that may be experiencing higher or lower demand, pricing pressures, or cost variances, leading to more tailored strategies for pricing, marketing, and production. Such an analysis can also uncover trends that might be obscured in the aggregate data, thereby enabling more informed decision-making and enhancing profitability.
vi. The alleged injury to the domestic industry cannot be attributed solely to subject imports. Other contributing factors include fluctuations in raw material prices, supply chain disruptions, changing consumer preferences, and increased competition from both domestic and foreign producers.
vii. DI's claim of a 22% return on capital employed (ROCE) for determining the non-injurious price is excessive and inconsistent with the Anti-Dumping Rules, as it inflates the non-injurious price calculation by applying an unjustifiable rate across both net worth and debt

components of capital employed. It is submitted that non-injurious price should be calculated based on the actual ROCE earned by the domestic industry during periods without dumping allegations, considering the prevailing economic conditions and ensuring that interest costs and profit margins reflect realistic and reasonable levels.

viii. Injury must be analysed separately for rutile and anatase grades as they are distinct forms of the PUC due to their unique crystal structures and resultant physical and chemical differences.

ix. Injury must be analysed separately for rutile-chloride and rutile-sulphate as they cannot be used interchangeably. Mere adoption of PCN is insufficient for a holistic injury examination and does not reflect the correct volume effect, price effect, and economic parameters for determining injury as per the AD Rules.

x. Domestic industry has used two separate import volumes to calculate dumping margin, and for determining net export price, injury margin, price undercutting. Domestic industry has created an inconsistency that could distort the injury examination. Volume of imports from China has risen by 50% while that of non-subject countries have experienced a decline of about 25%. Imports into India have increased by only 12.80%, aligning with the increase in total Indian demand. Hence, Chinese imports are taking away market share of non- subject country imports and not Indian market share, which remained more or less at the same level.

xi. Segregation of Chinese imports reveals that the increase in imports pertain to rutile- sulphate due to the non-availability of rutile-sulphate domestically. Imports of rutile- sulphate are a necessity than a choice.

xii. Price undercutting in itself cannot be an indicator of injury leading to material injury. Setting of net sales realisation (NSR) is a business decision, therefore, DI's internal inefficiency that may lead to higher cost of production and higher NSR cannot be a reason to claim injury or material injury.

xiii. As per the audits of the Comptroller and Auditor General, KMML has maintained pricing practices that ensure recovery of variable costs which contradict claims of price suppression or depression.

xiv. KMML has not expanded its production capacity since fiscal year 2006-07 despite being the sole domestic producer of rutile TiO_2 in India. Despite consistent and increasing demand from the user industry, capacity of KMML has remained the same. Capacity utilisation data suggests that KMML's performance has been consistent over time, showing no changes in output or capacity utilisation.

xv. Sales prices of KMML have increased substantially over the injury period, whereas the cost of production has decreased indicating that KMML is currently not facing adverse financial impacts that would necessitate imposition of duties.

xvi. KMML has reported gross profits across all segments including PUC, of 120% and 20% respectively from 2019-20 to 2022-23. Thus, claims regarding decline in profitability are devoid of merit and warrant rejection.

xvii. Achieving 4, 00,000 MT capacity as mentioned by the domestic industry during the oral hearing would require an approximate capital outlay of INR 10,000 Cr. Considering the domestic industry is reportedly, financially constrained due to internal inefficiencies and borrowing, such investment seems highly improbable.

xviii. Domestic industry's sales volume and sales price have risen slightly which indicate stability and improvement in the domestic industry's performance, negating the assertion that the domestic industry is suffering from injury.

xix. Increase in imports from China PR has been modest and cannot be considered significant enough to substantiate a claim of threat of material injury.

xx. India does not constitute an exceptionally high-growth or lucrative market for foreign exporters as demand has remained relatively steady over recent years and does not indicate significant or increasing attractiveness to foreign exporters.

xxi. Domestic industry has not provided reliable data on the actual installed capacity in China which is dedicated for the production of the PUC as opposed to the grades of TiO2 which are not subject to this investigation, in the absence of which, the Authority should disregard the domestic industry's speculative assertions of excess capacities.

xxii. The COVID-19 pandemic and resultant lockdown is a factor in the performance of the domestic industry and demonstrates the absence of any causal relationship between the dumped goods and injury to the domestic industry. KMML's annual report of 2022-23 reports an increase in COVID related expenses, which may have increased the costs of the company.

xxiii. Domestic industry has the option to address any injury arising from alleged subsidies as claimed by the domestic industry by filing a separate anti-subsidy petition. It would be inappropriate to include in the present anti-dumping assessment any injury purportedly caused by subsidisation such as export tax rebates.

xxiv. The domestic industry is inefficient owing to the massive increase in its interest costs which may have contributed significantly to the domestic industry's rising cost of sales, turning prior profits into losses, and leading to the decline in ROI.

xxv. The domestic industry has specifically highlighted injury from the LB Group. However, it must be noted that LB Group is backward integrated, thereby maintaining a more competitive cost structure. KMML relies on purchased raw materials and is hence unable to efficiently manage its raw materials. KMML's annual report shows that there is a significant increase in raw material costs which is disproportionate to the rise in sales, indicating inefficiencies.

K.1.b <u>Views of other interested parties in remand proceedings</u>

108. The other interested parties have made the following submissions with regard to injury and causal link in the present proceedings:

i. India's domestic capacity is 82,500 MT per annum, but actual production is around 47,000 MT, creating greater than 300,000 MT deficit which is met by imports, reflecting supply issues and not injury caused by dumping.

ii. The DI claims TTPL can produce and has sold R-S but annual capacity of TTPL at 10,000 MT is primarily for A-S and any Rutile produced is uncoated and technically unsuitable for premium paints and high-grade plastics. Injury on account of R-S imports are invalid and DI must provide invoices showing R-S sales to paint manufacturers to substantiate the injury on account of imports of R-S.

iii. The claimed domestic capacity of 82,500 MT is contradicted by actual production of 47,000 MT against total Indian demand of 4,00,000 MT, resulting in an 88% import dependency. Actual production in FY23 implies 57% utilization due to inefficiencies.

iv. KMML does not produce R-S and only produces R-C, which is not the grade needed by the 15,000 SMEs. Further, capacity expansion plans have been delayed due to administrative hurdles, meaning it cannot physically supply the deficit of 3,00,000 MT.

v. True injury to the domestic industry is from Tronox and Chemours, not from China, as post imposition of duties both exporters have reduced their prices significantly with prices dropping to 600-700 USD/MT as compared to 2,900 USD/MT earlier. Price reduction was concealed from the Authority by issuance of post-sale credit notes. These prices were significant because they were lower that landed cost of Chinese TiO_2 after imposition of ADD and they are substantially below prices of KMML.

vi. Tronox submitted that imposition of duties in Brazil, the EU, and Saudi Arabia which are higher than India's duty has led to trade diversion with Chinese exporters redirecting massive volumes (approx. 150,000 MT annually) to the Indian market, which has the lowest duties.

vii. Tronox submitted that since the Hon'ble High Court in Calcutta set aside the final findings, Authority now is legally entitled to reconsider findings with regard to NIP, causal link, and IM along with confidentiality issues.

viii. Under Rules 5 and 6, the domestic industry must prove dumping, injury, and causal link with verifiable data and withholding data under confidentiality undermines importers right to reply.

ix. Domestic industry failed to prove that the injury it suffered was specifically caused by dumped imports, as required by WTO ADA Article 3.5 and Rule 11(2). Other factors such as raw material price shifts and domestic inefficiencies were not properly isolated making the causal link insufficient.

x. Like article and injury analysis may be re-assessed using only verified, non-confidential evidence.

K.2. Views of the Domestic Industry

K.2.a <u>Views of the domestic industry in original proceedings</u>

109. The following submissions were made by the domestic industry with regard to injury and causal link:

i. Demand increased steadily until 2021-22 but declined in 2022-23 and during the POI.

ii. Imports from the subject country have increased significantly from the base year to the POI.

iii. The increase in imports is substantial both in absolute and relative terms.

iv. The share of imports from the subject country in relation to Indian production and consumption has grown consistently over the injury period.

v. Subject imports hold 57% market share in total Indian demand.

vi. Price undercutting was determined by comparing the landed price of the subject imports with the selling price of the domestic industry. The subject imports are undercutting the prices of the DI.

vii. The cost of sales increased till 2022-23, after which it saw a slight decline in the POI. The selling price increased till 2021-22 and then decreased till the POI. Subject imports therefore, are suppressing the prices of the domestic industry.

viii. The capacity of domestic industry has remained constant throughout the injury period.

ix. Production and capacity utilization of domestic industry has increased from the base year to 2021-22, however declined significantly since then till POI.

x. Despite sufficient demand in the country, the domestic industry is operating at a very low utilization level.

xi. Sales of the domestic industry increased till 2021-22, declined in 2022-23, and saw an increase in the POI.

xii. Market share of the applicants declined over the injury period whereas share of subject imports have increased and is more than 50%. The subject imports have also taken away the share of other countries in demand.

xiii. With regard to the profitability parameters of the domestic industry, COVID and low-priced imports caused the domestic industry to incur losses in the base year.

xiv. In 2021-22, the domestic industry started earning profits, cash profits, and a reasonable ROI. However, it started incurring severe losses in 2022-23, which continued into the POI, where the landed price of the subject imports started to decline significantly. The ROI of the domestic industry was negative *** % in the POI.

xv. The inventories with the domestic industry have undergone a highly significant increase over the injury period. The inventory in the POI is at *** MT, despite a reduction in production.

xvi. The number of employees and the wages paid have declined marginally over the injury period.

xvii. Productivity per employee has increased from the base year to 2021-22, it has however declined significantly since then till the POI, following the movement of production.

xviii. The subject imports have adversely affected the growth of the domestic industry in respect of price and profitability parameters.

xix. There is an increase in dumped imports from the subject country, even beyond the demand supply gap in India, after accounting for the new producer that has already started producing subject goods after the POI.

xx. Injury must be seen for the domestic industry as a whole as the PUC is defined as 'titanium dioxide' and injury analysis must be considered for the product as a whole.

xxi. Calculation of dumping margin and injury margin has been carried out based on anatase and rutile grades, as they are identified and any unknown grades of TiO2 have not been considered.

xxii. To calculate price undercutting, the total volume of imports has been considered.

xxiii. Landed price of Chinese imports declined after 2021-22, the landed price of non-Chinese imports increased significantly, especially in the POI.

xxiv. Volume of imports from China increased as that of other countries declined.

xxv. The increase in stocks over the injury period is from about 50 crores to 250 crores.

xxvi. Capacity utilization for one of the constituents of the domestic industry is only at 32% in the POI, while that of another applicant is 32% for two different PCNs.

xxvii. Domestic industry was forced to follow movement of landed price and not costs by reducing selling price in 2022-23 even with a cost increase. However, landed price was too low and below cost and declined further in the POI.

xxviii. KMML suffered massive declines in PBT by about *** Cr and in PBIT by about *** Cr while its interest cost increased only *** Cr.

xxix. The reference made to KMML's policy is to variable costs and not full costs and ignores full costs knowing that market forces may not allow for full costs to be recovered.

xxx. COVID related expense was made initially in 2021, as per orders of the Government of Kerala. The amount paid in 2022-23, was simply a part payment to complete the amount contributed as part of the company's CSR obligations. Moreover, CSR expenses are not even considered for reporting profits and are met from profit after tax.

K.2.b <u>Views of the domestic industry in present remand back proceedings</u>

110. The domestic industry has made the following submissions with regard to injury and causal link in the present proceedings:

i. Production volume of the domestic industry has been significantly impacted by the dumping practices of Chinese producers.

ii. Financial strain has led to underutilisation of existing capacity and delays in planned expansions which has affected growth of the domestic industry, hindering its ability to meet the increasing demand for TiO2 in India.

iii. Despite sufficient demand in the country, domestic industry is operating at only 56% capacity utilisation.

iv. Challenges of price undercutting as well as increasing import volumes have been have impacted the domestic industry.

v. Restrained quantum of duty risks undermining the long-term capacity utilisation and investment in domestic production of the subject goods.

vi. There is a significant difference between the duty recommended by the Indian authorities when compared to that recommended and imposed by the trade remedial authorities in the European Union, Brazil, and Saudi Arabia.

K.3. Examination by the Authority

111. The Authority has taken note of the submissions made by the interested parties and has examined various parameters in accordance with the Rules after duly considering the submissions made bythe interested parties. The injury analysis made by the Authority hereunder ipso facto addressesthe various submissions made by the interested parties.

112. Rule 11 of the Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on the domestic producers of such articles. In considering the effect of the dumped imports on prices, it is considered necessaryto 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 withAnnexure II of the Rules.

K.3.1 Assessment of Demand/Apparent Consumption

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

Particulars	Unit	2020-21	2021-22	2022-23	POI
Imports from Subject Country- China	MT	1,46,998	1,72,187	2,02,922	2,26,869
Indexed		100	117	138	154
Imports from other countries	MT	1,46,874	1,77,252	1,41,605	1,22,608
Indexed		100	121	96	83
Sales of Domestic Industry	MT	46,855	47,913	38,998	47,223
Indexed		100	102	83	101
Indian Demand	MT	3,40,727	397,352	383,525	396,699
Indexed		100	117	113	116

114. It is seen that the demand for the product under consideration increased in 2021-22 and declined marginally thereafter till POI. The imports from subject country have increased significantly by 54% when compared with base year 2020-21.

K.3.2 Volume effect of dumped imports on domestic industry

a) Imports in absolute and relative terms

115. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or in relationto production or consumption in India. For the purpose of the injury analysis, the Authority has relied upon the transaction-wise import data from DG System. The Authority has considered thedata based on the finalised PUC and PCN of the subject goods. The import volumes of the subjectgoods and share of the same during the injury investigation period are as follows:

Particulars	Unit	2020-21	2021-22	2022-23	POI
Import Volume					
Subject Country- China	MT	1,46,998	1,72,187	2,02,922	2,26,869
Indexed		100	117	138	154
Other Countries	MT	1,46,874	1,77,252	1,41,605	1,22,608
Indexed		100	121	96	83
Total Imports Volume	MT	2,93,872	3,49,439	3,44,527	3,49,476

Indexed		100	119	117	119
Subject imports in relation to					
Total imports	%	50	49	59	65
Indexed		100	99	118	130
Indian production	%	287	302	433	494
Indexed		100	105	151	172
Indian demand	%	43	43	53	57
Indexed		100	100	123	133

116. It is seen that:

a. The subject imports have witnessed a significant increase throughout the injury period. Imports from other countries increased in 2021-22, but declined sharply thereafter till thePOI.

b. Share of imports from China PR in total imports was already quite high. Further, the same increased over the injury period, and share of imports from other countries have declined.

c. Subject imports in relation to Indian production and consumption has increased over the injury period.

d. It can be observed that there is an overall increase in the demand.

K.3.3 Price effect of dumped imports on domestic industry

117. With regard to the effect of the dumped imports on prices, it is required to be analysed whether there has been a significant price undercutting by the alleged dumped imports as compared to theprice of the like product in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in normal course.

118. Accordingly, the impact on the prices of the domestic industry on account of dumped imports ofthe subject goods from the subject country has been examined with reference to price undercutting and price suppression/depression, if any. For the purpose of this analysis the cost ofsales and the net sales realization (NSR) of the domestic industry have been compared with the landed price of the subject imports.

a) Price Undercutting

119. In order to determine whether the imports are undercutting the prices of the domestic industry inthe market, price undercutting has been worked out by comparing the landed price of the subjectimports with the selling price of the domestic industry during the investigation period. For the purpose, the Authority notes that there is significant difference in the prices of different types ofthe product under consideration. Therefore, the Authority has compared landed price of importswith the selling price of the domestic industry for comparable types, by considering the PCN notified by the Authority. Thus, weighted average price undercutting has been determined after considering associated import volumes and same is given below-

Particulars	Unit	A-S	R-S	R-C	Weighted Average
Landed Price	₹/MT	1,78,574	2,01,911	2,26,934	**2,05,197**

Net Selling Price	₹/MT	***	***	***	***
Price Undercutting	₹/MT	***	(***)	***	(***)
Price Undercutting	%	***	(***)	***	(***)
Price Undercutting	Range	0-10	Negative	5-15	Negative

120.It is seen that the imports are not undercutting the prices of the domestic industry in the market.

b) Price Suppression/Depression

121.For the purpose of analysing price suppression and depression in the domestic market, the applicants have provided information about (a) cost of sales, (b) domestic selling price, as is given in the table below.

Particulars	**Unit**	**2020-21**	**2021-22**	**2022-23**	**POI**
Landed Price	₹/MT	1,74,761	2,61,253	2,33,166	2,05,197
Indexed		100	149	133	117
Cost of Sales	₹/MT	***	***	***	***
Indexed		100	110	147	135
Selling Price	₹/MT	***	***	***	***
Indexed		100	133	124	113

122.It is seen that both the selling price and the cost of sales increased over the injury period. However, the increase in cost of sales was much higher than the increase in selling price of the subject goods. Further, whereas the selling price was above cost of sales till 2021-22, the same declined below the level of cost of sales in 2022-23 and the POI. The landed price of imports shows a fluctuating trend, with a significant increase in 2021-22 followed by a decline during thePOI .The landed price of imports were materially below cost of sales in the POI. The selling price trend also reflects price depression, as it declined from its peak in 2021-22 (₹***/MT) to (₹***/MT) during the POI, despite the cost of sales remaining elevated. Subject imports are, thus, causing significant price suppression in the domestic market.

K.3.4 Economic Parameters of the domestic industry

123.Annexure II to the Rules provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth and the ability to raise capital investments. Accordingly, various injury parameters relating to the domestic industry are discussed herein below.

124.The performance of the applicants in the POI has been compared with its performance in the base year.

a) Capacity, Production, Capacity Utilisation, and Sales

125. The Authority has considered the capacity, production, capacity utilisation, and sales volume ofthe domestic industry over the injury period. The table below shows factual position.

Particulars	Unit	2020-21	2021-22	2022-23	POI
Installed Capacity	MT	82,500	82,500	82,500	82,500
Indexed		100	100	100	100
Production	MT	51,221	56,956	46,811	45,944
Indexed		100	111	91	90
Capacity Utilisation	%	62	69	57	56
Indexed		100	111	92	90
Domestic Sales	MT	46,855	47,912	38,999	47,223
Indexed		100	102	83	101

126. It is seen that:
   a. Capacity of the domestic industry has remained constant throughout the injury period.
   b. Production and capacity utilization of the domestic industry has increased from base year to 2021-22 but declined significantly since then till POI.
   c. Despite sufficient demand in the country, the applicants are operating at low utilization level.
   d. Production, sales and capacity utilization in 2020-21 were lower due to country wide COVID-related lockdown.
   e. Sales of the domestic industry increased till 2021-22, declined in 2022-23 and increased again in the POI.

b) Market Share in Demand

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

Particulars	Unit	2020-21	2021-22	2022-23	POI
Subject Country	%	43.1	43.3	52.9	57.2
Indexed		100	100	123	133
Other Countries	%	43.1	44.6	36.9	30.9
Indexed		100	103	86	72
Domestic Industry	%	13.8	12.1	10.2	11.9
Indexed		100	102	74	87

128. The market share of the subject country has increased significantly over the injury period. The market share of the domestic industry has decreased over the injury period, while the share of imports from the subject country has increased, and the share of imports from non-subject countries has consistently declined.

c) Profitability, Cash Profits, and Return on Investment

129. The profit, cash profits, profit before interest (PBIT), and return on investment of the domestic industry over the injury period has been analysed and were as follows:

Particulars	Unit	2020-21	2021-22	2022-23	POI
Cost of Sales	₹/MT	***	***	***	***
Indexed		100	110	147	135
Selling Price	₹/MT	***	***	***	***
Indexed		100	133	124	113
Profit/Loss per Unit	₹/MT	***	***	***	***
Indexed		100	476	(327)	(307)
Profit/Loss (PBT)	₹ Lacs	***	***	(***)	(***)
Indexed		100	1,220	(872)	(1007)
PBIT – Domestic Sales	₹ Lacs	***	***	(***)	(***)
Indexed		100	923	(620)	(707)
PBIT – per Unit	₹/MT	***	***	(***)	(***)
Indexed		100	434	(278)	(259)
Cash Profit – Domestic Sales	₹ Lacs	***	***	(***)	(***)
Indexed		100	691	(454)	(513)
Cash Profit – per Unit	₹/MT	***	***	(***)	(***)
Indexed		100	387	(242)	(226)
Return on Investment	%	***	***	(***)	(***)
Indexed		100	829	(512)	(552)

130. It is seen that

a. The costs of sales increased over the injury period, whereas the selling price increased in 2021-22 and declined consistently thereafter till the POI. Resultantly, the profits of the domestic industry increased in 2021-22 and steeply declined thereafter leading to significantfinancial losses. The financial losses suffered have increased in the POI.

b. As a result of decline in profits, the cash profits declined significantly over the injury period. The domestic industry has suffered cash losses in 2022-23 and the POI.

c. The return on investment followed the same trend as that of profit before tax. Return on investment declined significantly over the injury period. The ROI was at a negative *** % in the POI.

d. The profitability of the domestic industry was low in 2020-21 due to COVID related lockdown. In any case, the performance of the domestic industry deteriorated steeply by thePOI in respect of profits, cash profits and return on investment.

d) Inventory

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

Particulars	Unit	2020-21	2021-22	2022-23	POI
Opening Inventory	MT	***	***	***	***

Indexed		100	54	139	363
Closing Inventory	MT	***	***	***	***
Indexed		100	259	418	451
Average Inventory	MT	***	***	***	***
Indexed		100	126	237	394

132. It is seen that the level of inventories with the domestic industry increased very significantly over the injury period.

e) Employment, Wages, and Productivity

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

Particulars	Unit	2020-21	2021-22	2022-23	POI
Number of employees	Nos	***	***	***	***
Indexed		100	99	96	99
Wages	₹ Lacs	***	***	***	***
Indexed		100	84	82	83
Productivity per employee	MT/No.	***	***	***	***
Indexed		100	113	95	91
Productivity per day	MT/Day	***	***	***	***
Indexed		100	111	91	90

134. The Authority notes that the number of employees and wages paid have decreased over the injury period. The productivity per employee has increased from the base year to 2021-22 and declinedin 2022-23 and the POI.

f) Growth

135. It is seen that the imports have led to an adverse effect on the growth of the domestic industry in respect of both volume and price parameters.

Particulars	Unit	2021-22	2022-23	POI
Capacity	Y/Y	0%	0%	0%
Production	Y/Y	11%	-18%	-2%
Sales	Y/Y	2%	-19%	21%
PBT	Y/Y	1119%	-163%	17%
PBIT	Y/Y	823%	-156%	-17%
Cash profit	Y/Y	591%	-151%	-17%
ROI	Y/Y	729%	-150%	-10%

g) Factors affecting domestic price

136. The Authority has examined the import prices from the subject country, change in the cost structure, competition in the domestic market, factors other than dumped imports that might beaffecting the

prices of the domestic industry in the domestic market. The Authority further notesthat the principal factor affecting the domestic prices is the dumped imports of the subject goodsfrom the subject country.

h) Ability to raise capital

137.The Authority notes that even though the domestic industry has the ability to raise new investments to increase its capacities to cater to the demand of the PUC in India the domestic industry has been unable to utilise its capacities and is facing losses due to dumped imports. The dumping of the subject goods has impacted the domestic industry's ability to raise capital investments. The Authority also notes that new players are planning to make and making investments in the Indian industry of the PUC, but they are however, unable to move forward due to the dumped imports.

i) Magnitude of dumping and dumping margin

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

L. CAUSAL LINK AND OTHER FACTORS

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

i) Volume and prices of imports from third countries

140.It is seen that the imports of the product under consideration from other countries are significant. However, they are at significantly higher prices than selling price of the domestic industry. Therefore, imports from other countries are not a cause of material injury suffered by the domestic industry.

ii) Contraction in Demand

141.The demand has consistently increased throughout the injury period. Thus, decline in demand is not the cause of injury.

iii) Changes in pattern of consumption

142.There are no changes in the pattern of consumption for the product under consideration over the injury period that could have caused injury to the domestic industry.

iv) Conditions of competition and trade restrictive practices

143.The investigation has not shown any change in the conditions of competition or any trade restrictive practices.

v) Developments in Technology

144. No evidence has been brought forward to show that there are no significant changes in technology.

vi) Export performance of the domestic industry

145. The information provided has been considered for domestic operations of the domestic industry.

vii) Performance of other products

146. The domestic industry has provided the injury data for the PUC and the same has been adoptedby the Authority for the purpose of the injury analysis. Performance of other products producedand sold by the domestic industry has not been considered.

M.1. Conclusion on Injury and Causal Link

147. Analysis of the performance of the domestic industry over the injury period shows material injury to the domestic industry. The causal link between dumped imports and the injury to the domestic industry is established on the following grounds:

i. Imports have increased in absolute terms and relative terms.
ii. The increase in cost of sales is higher than the increase in selling price of the subject goods over the injury period with selling price going below the level of cost of sales in 2022-23 and the POI. The landed price of subject imports increased till 2021-22 and declined in 2022-23 and the POI leading to price suppression and depression in the domestic market.
iii. Domestic industry has not been able to increase production and sales due to dumping.
iv. Subject imports hold 57% of the market share despite domestic industry's capacity lying unutilised.
v. Inventories of the domestic industry has been on the rise and has increased significantly in the POI, despite production reducing over the injury period.
vi. The domestic industry's profitability and return on capital employed has been adversely affected. The domestic industry has made losses in 2022-23 and the POI. The ROI of the domestic industry in the POI is significantly low.

148. The above analysis indicates that the domestic industry is suffering material injury due to increased dumped imports of the PUC into India from the subject country. There exists a causal relation between the increase in dumped imports of the subject goods originating in or exported from the subject country and the material injury suffered by the domestic industry.

149. Authority also examined if any other factor caused injury. The examination of data shows that the selling price of the domestic industry has been consistently below cost since 2022-23, while the landed price of imports has been lower than the cost of sales, leading to significant price suppression. Furthermore, none of the interested party substantiated injury to the domestic industry on account of other factors with concrete evidence.

M. MAGNITUDE OF INJURY MARGIN

M.1. Views of other interested parties

150. No other interested parties have made submissions in the present proceedings with respect to the injury margin.

M.2. Views of the domestic industry

151. The domestic industry has made the following submissions in the present proceedings with respect to the injury margin:

i. NIP and consequently duty recommended in the final findings was quite low and is concerning with regard to the protection afforded to the domestic producers.
ii. All expenses incurred by the domestic industry were not allowed, on the grounds that expenses could not be fully verified.
iii. With utilisation at 55% and subject imports suppressing prices, higher duties are necessary to restore viable capacity use and competitiveness.
iv. Evidence of expenses can be provided as deemed appropriate by the Authority instead of rejecting/disallowing such expenses.

M.3. Examination by the Authority

152. The Authority determines the NIP for the domestic industry on the basis of principleslaid down in the Rules read with Annexure III, as amended. The NIP of the product under consideration is to be determined by adopting the information/data relating to the cost of production provided by the domestic industry for the POI. The NIP has been considered for comparing the landed price from the subject country for calculating injury margin. Fordetermining the NIP, the best utilisation of the raw materials and utilities has been considered over the injury period. Best utilisation of production capacity over the injury period has been considered. Extraordinary or non-recurring expenses have been excluded from the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the NIP as prescribed in Annexure III to the Rules. The Authority hasdetermined NIP separately for each of the quarters of the POI.

153. It is noted that many cooperating producers and exporters are related to each other and form a group of related companies. It has been a consistent practice of the Authority to consider relatedexporting producers and exporters as one single entity for the determination of a injury margin and thus to establish one single injury margin for them. This is in particular because calculatingindividual injury margins might encourage circumvention of anti-dumping measures, thusrendering them ineffective, by enabling related exporting producers to channel their exports to India through the company with the lowest individual injury margin.

154. In accordance with the above, related producers and exporters is regarded as onesingle entity and attributed one single injury margin which was calculated on the basis of the weighted average of the injury margins of the cooperating related producers and exporters.

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

INJURY MARGIN TABLE

S.No.	Producer	NIP($/MT)	Landed Value ($/MT)	Injury Margin(IM) ($/MT)	IM (%)	IM Range
1.	M/s Anhui Gold Star Titanium Dioxide (Group) Co., Ltd.	***	***	***	***	20-30
2.	M/s Anhui Gold Star Titanium Dioxide Trading Co., Ltd.					
3.	M/s Shandong Jinhai Titanium Resources Technology Co., Ltd.	***	***	***	***	20-30
4.	M/s Shandong Xianghai Titanium Co., Ltd.					
5.	M/s LB Xiangyang Titanium Industry Co., Ltd.	***	***	***	***	15-25
6.	M/s LB Sichuan Titanium Industry Co. Ltd					
7.	M/s LB Lufeng Titanium Industry Co., Ltd.					
8.	M/s LB Group Co., Ltd					
9.	M/s Henan Billions Advanced Material Co., Ltd.					
10.	**Non-Sampled Cooperative Producers/Exporters**	***	***	***	***	15-25
11.	**Residual**	***	***	***	***	25-35

N. THREAT OF MATERIAL INJURY

156. The domestic industry has contended threat of material injury. TheAuthority examined the threat of material injury to the domestic industry considering the parameters relating to the threat of material injury in terms of Paragraph (vii) of Annexure II ofthe Rules, which states as under:

"A determination of a threat of material injury shall be based on facts and not merely on allegation, conjecture or remote possibility. The change in circumstances, which would createa

situation in which the dumping would cause injury, must be clearly foreseen and imminent.In making a determination regarding the existence of a threat of material injury, the Designated Authority shall consider, inter alia, such factors as:

a. a significant rate of increase of dumped imports into India indicating the likelihoodof substantially increased importation;

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

c. whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely to increased demand forfurther imports; and

d. inventories of the article being investigated."

N.1.Submissions by other interested parties

157. The following submissions have been made by other interested parties with regard to threat of material injury:

i. Increase of imports from the subject country has been only 4% on a year-on-year basis andcannot be considered as significant enough to substantiate threat.

ii. Marginal increase in imports both in relative and absolute terms is not sufficient to support the claim of threat of material injury.

iii. India does not constitute an exceptionally high-growth or lucrative market for exports of the subject goods due to stable demand.

iv. Stable demand does not indicate significant or increasing attractiveness to foreign exporters, including Chinese exporters.

v. Threat must be both imminent and clearly foreseen and existence of surplus production capacity alone does not fulfil this criterion.

vi. Domestic industry has not provided reliable data on actual installed capacity in China dedicated for production of the subject goods as compared to those grades of titanium dioxide that are used in food or pharmaceuticals.

vii. Lack of bifurcated data on China's capacities for the product under consideration and other titanium dioxide types leaves a gap in understanding the extent of production dedicated to the subject goods in China.

viii. It is the established policy of one of the constituents of the domestic industry to price the product under consideration above its variable costs of production, contradicting the claims of existence of threat of material injury.

N.2. Submissions by the domestic industry

158. The following submissions have been made by the domestic industry with regard to threat of material injury:

i. Imports have increased significantly over the injury period with relative to increase in demand. Imports increased in the POI significantly whereas the demand declined.

ii. Imports of rutile grade increased significantly.

iii. Post POI import volumes and prices of the subject country have remained consistent.
iv. Chinese capacity for the subject goods is around 55 lacs MT, which amounts to 56% of the global capacity to produce the subject goods. Capacity with one Chinese exporter alone is 15 lacs MT.
v. Domestic demand of China PR is weak, thereby showing freely disposable capacity for exports.
vi. Public domain knowledge suggests that production levels of the subject goods in China showed year on year increase despite weak demand.
vii. Chinese government heavily aids producers and manufacturers in China, creating distortions in the Chinese economy, significantly affecting input costs.
viii. Various jurisdictions around the world have imposed measures against imports of titanium dioxide from China PR, indicating China's behaviour to dumped goods.
ix. Imposition of global actions has resulted in a restricted export market for China, which already has weak demand, hence creating the possibility that China will redirect its excess capacity to the Indian market.
x. Chinese producers of the subject goods have suffered a loss of market due to the global actions, and such volume is likely to shift to India.
xi. Indian market is price sensitive, and availability of low-priced imports would have an adverse impact on the prices of the product in the market, and hence leaves the domestic industry susceptible to aggravated injury.
xii. Subject imports are at a price lower than cost of sales of the domestic industry, forcing it to reduce its selling price and making the domestic industry vulnerable.

N.3. Examination by the Authority

159. The Authority has examined the threat of material injury considering the parameters relating to the threat of material injury in terms of Paragraph (vii) of Annexure II of the AD Rules

a. Significant rate of increase of dumped imports into India

160. From an analysis of the import data, it is seen that there has been a year-on-year increase of imports into India and the rate of increase in imports in the POI as compared with the base yearis significant. Imports have increased by 54%. The import price has also seen a significant decline in prices from 2021-22 to the POI. A significant increase in imports with declining prices indicates the threat of substantially increased imports in the future.

b. Freely disposable capacity with the producers

161. The applicants have submitted that there is significant freely disposable capacity for titanium dioxide in China PR. The interested parties have contended that the disposable capacities as submitted by the domestic industry are unreliable and should be bifurcated into that of capacityof PUC and of NPUC. However, the domestic industry has relied upon the website of the Chinese producers[4] as evidence, apart from which they have relied upon a market research report. As per such information, the capacity available with just one sampled group is 15 lacs MT, making it nearly three times that of Indian demand.

[4] https://www.lomonbillions.global/key-facts/

162.The Authority has compared the information on capacity and production, as made available bythe responding producers. It is seen that the sampled producers alone have a surplus capacity of *** MT which is in the range of 85-95 % of total Indian demand.

S. No	Particulars	Gold Star Group	Shandong Group	LB Group	Total
1.	Capacity	***	***	***	***
2.	Production	***	***	***	***
3.	Surplus	***	***	***	***

c. Imports entering at prices that will have a significant depressing or suppressing effect on domestic prices

163.As noted above from the movement of cost of sales, selling price and landed price of imports that the subject imports are suppressing the domestic prices. The increase in selling price is lower than the increase in cost of sales, and the selling price is below the level of cost of sales since 2022-23. The landed price of imports increased till 2021-22 and declined significantly thereafter, while the cost of sales increased.

d. Level of inventories

164.The level of inventories available with the producers in subject countries could not be ascertained as such information was not made available by the interested parties. Accordingly,this parameter for ascertaining threat of injury could not be examined by the Authority.

e. Trade remedial actions by other countries

165.It is seen that various countries including Brazil, Saudi Arabia, the Eurasian Economic Union,and the EU have imposed anti-dumping duty on imports of subject goods in their country fromChina PR. Further, the United States has imposed an additional import duty since 2018. This highlights the tendency of the producers from the subject country to dump goods in various markets. The actions by various countries can be seen in the table below:

SN	Date	Country	Action	Exporters	Duty
1.	21st Oct	Brazil	Interim duty	LB Group	578 USD/MT
				Gold Star Group	654 USD/MT
2.	9th Oct	Saudi Arabia	Initiated case	--	--
3.	3rd Sep	Eurasian	Final duty	LB Group	14.27%

		Economic Union		Shandong Group	16.25%
4.	10th July	EU	Preliminary duty	LB Group	39.7%
				Gold Star Group	14.4%

f. Loss of market due to trade remedial actions

166. It has been brought to the notice of the Authority that in lieu of the actions imposed globally, there is a loss of market to China PR. Chinese exports are highly likely to be diverted into the Indian market, considering the Indian market's stable demand. This poses a credible threat of the volumes exported to these countries shifting to India due to imposition of such measures ascan be seen from the table below.

Particulars	UOM	2020	2021	2022	2023	2024
China Global Exports	MT	12,91,858	13,88,669	14,68,805	16,93,380	10,04,541
China exports to India	MT	1,51,242	1,76,914	1,93,768	2,54,655	1,48,566
% Share	%	12%	13%	13%	15%	15%
Particulars	**UOM**	**2020**	**2021**	**2022**	**2023**	**2024**
China exports to EU	MT	2,03,459	2,26,531	2,22,034	2,61,734	1,71,596
China exports to USA	MT	18,227	13,118	20,418	15,619	8,986
China exports to Brazil	MT	1,08,344	1,02,322	96,014	1,20,989	76,978
China exports to Saudi Arabia	MT	13,606	10,721	17,152	23,678	15,209
Potential volume that can shift to India	MT	3,43,635	3,52,692	3,55,619	4,22,020	2,72,769

(Source: Trademap)

g. Vulnerability of the Indian industry

167. It has been contended by the domestic industry that the Indian market is price sensitive and is vulnerable to imports that are low-priced. As has been noted above, the landed value of the subject imports has dropped consistently. In this situation, the Authority holds that there is a tenable threat of aggravated injury to the industry, considering the dumping of subject imports.

O. POST-DISCLOSURE SUBMISSIONS

O.1. Submissions made by other interested parties:

168. The following submissions have been made by other interested parties in response to the Disclosure Statement issued:

i. The Disclosure Statement neither discloses the essential facts under consideration nor is it provisional but final in many parts of the disclosure. The disclosure has used unambiguous language that shows that the Authority has already determined its findings, which is contrary to the settled legal position articulated in Nirma Ltd. v. Union of India (2017).

ii. The directions of the Hon'ble High Court were confined to the limited issue of confidentiality and the obligation to furnish a meaningful non-confidential version of the material relied upon and did not authorise a reopening of the investigation, the admission of fresh evidence, or the introduction of new legal reasoning.

iii. The Authority has impermissibly expanded the scope of inquiry by relying on matters outside the original record, including trade notices, newly furnished reasons for confidentiality, clarificatory letters, foreign authority determinations, and historical and pre-POI transactions, amounting to a reconstruction of the domestic industry's case and an impermissible curing of evidentiary defects, contrary to the settled principle of remand proceedings.

iv. The Disclosure Statement is vitiated by disregard of the statutory confidentiality framework, as the domestic industry has admitted that no contemporaneous "good cause" statement was furnished at the time of making confidentiality claims, and that specific reasons in support thereof have been provided only at the stage of remand, which is violative of statutory requirements.

v. Requirement of a good-cause statement is not a procedural formality but a jurisdictional precondition under Rule 7(2), the Initiation Notification, and Article 6.5 of the WTO Anti-Dumping Agreement, as clarified in EC – Fasteners and Guatemala – Cement II. In its absence, the Authority was legally obliged to reject the confidential material altogether and could not subsequently validate the defect by accepting post-facto explanations furnished during remand proceedings.

vi. The Authority has not only accepted such material but has endorsed blanket confidentiality over customer names, invoices, and sales data, while simultaneously failing to engage with the Respondents' submissions on the fatal consequences of non-compliance, contradicting the Authority's approach in HIIR and Effect Pearlescent Pigments.

vii. Untenability of the confidentiality claim is further accentuated by the domestic industry's own voluntary disclosure of Asian Paints as a customer during the remand proceedings, thereby demonstrating that such information is capable of disclosure and negating any claim of irreparable competitive harm arising from such disclosure.

viii. Letter dated 19th May seeking certain additional information such as the underlying quantitative and transactional data allegedly evidencing commercial sales of R-S Titanium Dioxide, including the identities of customers, volumes sold, and time periods of such sales, as also the factual basis for the adoption of a 22% return on capital employed in the computation of the non-injurious price from the Authority was not responded to. Findings issued without disclosing essential information and thus depriving IPA of a reasonable opportunity to review and comment on such information would be a violation of the principles of natural justice and the right to a fair investigation.

ix. The entire Disclosure Statement rests upon the assertion that R-S TiO2 was manufactured and sold by the domestic industry in commercial quantities during the POI, which is unsupported by the evidence. Even on a most favourable reading of the domestic industry's own data, the total quantity of R-S TiO2 allegedly sold during the POI is in the range of approx. 430-440 MT, and approximately 650 MT across the injury period, which constitutes a very small fraction of total domestic demand, amounting to less than 0.15% annually and less than 0.05% over the injury period.

x. The only paint-sector buyer identified on record, Asian Paints, procured the product exclusively for trial and evaluation purposes, and discontinued such procurement by 2019, before the injury period and POI upon the product failing to meet requirements as per test reports and thus these trial transactions cannot constitute "commercial sales" as per the decision of the Hon'ble CESTAT in Technova Imaging Systems Pvt. Ltd. v. Union of India (2022).

xi. Authority has placed reliance upon material that is inadmissible in law and extraneous to the original record, including the domestic industry's letter dated 7 February 2025, which was filed beyond the stipulated deadline, submitted only in confidential form without a non-confidential version, and not even referenced in the original final findings.

xii. The conclusions of the Authority are founded not on the original record, but on material that the respondents had no opportunity to contest, thereby rendering the entire exercise procedurally unsustainable.

xiii. The Authority has erred in law in equating interchangeability with likeness, and in concluding, on that basis alone, that R-S and R-C TiO2 constitute like articles within the meaning of Rule 2(d). Such an approach disregards the established multi-factor test under Article 2.6 of the WTO Agreement, which requires an examination of physical characteristics, end-use, consumer perception, and competitive substitutability.

xiv. It is submitted that the evidence on record, including the failure of trial evaluations and the absence of acceptance in the paint industry, demonstrates that R-S TiO2 serves a distinct technical and functional role and cannot be treated as interchangeable with the domestically produced grade.

xv. The Authority's reliance on foreign authority determinations is inconsistent with its own settled position, as articulated in investigations such as Solar Cells (2014) and the bilateral safeguard investigation concerning DOTP/DECH (2026), wherein it has been categorically held that findings of foreign authorities do not bind the Indian Authority.

xvi. It is submitted that the record establishes a pronounced and structural demand-supply mismatch in the domestic market for R-S TiO2. The maximum production capacity of the domestic industry is in the range of 3,500-4,000 MT per annum, whereas the total domestic demand is approximately 3,00,000 MT per annum, with the paint industry alone accounting for approximately 1,80,000 MT. The Authority has previously excluded a grade from the scope of duties in view of inadequate domestic production and the disproportionate burden that would otherwise be imposed on downstream industries.

xvii. The anti-dumping regime is premised on the domestically produced like article that is commercially manufactured and supplied during the POI. It does not extend protection to product grades that the domestic industry neither produces in commercially meaningful quantities nor supplies to the relevant market segment.

xviii. The approach adopted in the Disclosure Statement seeks to rely on historical trial production and post-facto assertions of capability rather than contemporaneous commercial evidence, is contrary to both the statutory framework and settled jurisprudence.

xix. TTPL produces uncoated Rutile grade, which is far inferior in quality compared to coated Rutile grades imported from China. Thus, TTPL's product is not comparable or interchangeable with coated Rutile (Sulphate or Chloride) grades under investigation. The Authority is requested to verify with past customers of TTPL on quality comparability.

xx. Authority's observation that TTPL possesses the technology and capability to produce rutile TiO2 through the sulphate route is, by itself, insufficient to establish actual production and commercial sales during the POI and domestic industry should be required to substantiate with evidence.

xxi. TiO2 grades outside of particle size inside the range of 200 to 350 nm range should not be considered in the scope of investigation.

xxii. An advance ruling from the Customs Authority was sought to check whether ADD will be levied on toilet soaps or not, as toilet soaps are considered under the category of "cosmetics" wherein the Customs Authority held that anti-dumping duty is not applicable on Titanium Dioxide.

xxiii. The word "cosmetics" is very broad and the same needs to be defined in the final findings properly. The current wording of the exclusion may lead to ambiguity and potential issues during customs clearance and has created issues at custom clearances during the present levy of the ADD before the Customs Notification was quashed by the Calcutta High Court. Therefore, the Authority is requested to provide clarification on the exclusion of toilet soaps as a part of skincare.

xxiv. It is submitted that the global production of Anatase grade is limited and concentrated in China PR, Korea and India, with Korean capacity mostly to meet its own domestic demand leaving negligible room for exports to India.

xxv. Domestic capacity of R-S TiO2 meets only 20–25% of the admitted 3,38,840 MT demand, with actual capacity disputed by CAG/NGT records and TTPL's negative net-worth, leaving an 80% import dependency. Given the absence of viable domestic alternatives for coated R-S TiO2 used by the masterbatch industry, exclusion is essential.

xxvi. R-S coated TiO2 and R-S uncoated TiO2 are not like articles as uncoated Rutile grades are generally unsuitable for plastics applications and contain material differences rendering functionally distinct products serving different end-use markets. The concept of "like article" requires a holistic examination of physical characteristics, end uses, consumer preferences, channels of distribution, tariff classification, and competitive overlap.

xxvii. The Authority has already made end use-based product exclusions while determining the PUC at Paragraphs 42-43 of the Disclosure Statement, demonstrating that the Authority has distinguished products based on functional characteristics, end-use applications, and commercial realities. As per the DGTR Manual, Paragraph 3.49, "if it is claimed that the production process results in different physical characteristics, then these differences must be taken into account while determining whether the goods are like articles or not." Further the domestic capacity of R-S TiO2 is grossly insufficient, capable of supplying only 2-3% of demand.

xxviii. White masterbatches use up to 80% TiO2 content, and India currently faces a raw material cost of approximately USD 2.458 per kg versus USD 2.220 per kg for ASEAN nations (which benefit from zero-duty Chinese imports under RCEP), a structural cost disadvantage already exists. The imposition of anti-dumping duties would substantially widen this gap, while ASEAN costs would remain unchanged at USD 2.22 per kg. This escalating cost disparity would severely undermine the competitiveness of India's downstream masterbatch industry.

xxix. In view of the significant differences in quality, performance, end-use applications, market segments, and pricing between chloride-route and sulphate-route TiO2, the Authority is requested to make appropriate adjustments in its analysis so as to accurately reflect market realities and ensure continued supply of R-S TiO2 to Indian customers that depend on such products.

xxx. Adjustments should be made based on the selling/exporting prices of Gold Star Trading, whose export price should be constructed as a related trader, rather than on the prices of Gold Star Group.

xxxi. Profitability of Gold Star Trading has been incorrectly determined and the purchase cost should be based on the net invoice value reported in the relevant transaction data. The revised profitability calculations and requested corresponding revisions to the constructed export price and dumping margin calculations are requested.

xxxii. Profit amount should be based on the profit of the unrelated trader, subject to the applicable ceiling, in accordance with the principles of the WTO AD Agreement and requested appropriate revisions to the export price and resultant dumping margins.

xxxiii. While import prices rose from ₹175/kg to ₹225/kg post anti-dumping duty, the domestic industry's prices rose only to ₹185/kg from ₹170/kg showing underutilization of the existing anti-dumping duty protection.

xxxiv. The Authority is requested to disclose the basis for adopting 22% ROCE. A 22% ROCE is unusually high for this key industrial raw material. Two domestic industry constituents are PSUs with largely depreciated and well-aged capital assets, making the 22% ROCE particularly questionable.

xxxv. In addition to the existing customs duty of 10%, further imposition of ADD would lead to increased prices of finished products, and ultimately impact consumers.

xxxvi. The domestic production of Titanium Dioxide in India is insufficient to meet the requirements of the domestic market.

xxxvii. MSMEs constitute a major segment of the downstream user industry, and the imposition of anti-dumping duty would escalate import prices rendering procurement commercially unviable for the user industry, severely impacting MSMEs, potentially leading to their closures.

xxxviii. The domestic industry has not provided any substantial evidence to show planning for expansion of capacities. Further the global manufacturers are evaluating new greenfield PUC investments in India, but such long-term commitments require a stable and fair competitive environment. Imposing effective anti-dumping duties would help create a level playing field for domestic producers.

xxxix. In US, Section 301 tariffs reduced Chinese imports without material inflationary impact on paints/coatings and in EU, post-duties Chinese import volumes declined while downstream demand tracked growth without disruption.

xl. It is submitted that sulphate and chloride route rutile share identical chemical composition, overlapping physical characteristics, and common end uses. Once the PUC in the rutile form is produced, it is not feasible to conclusively determine whether such product has been manufactured through the sulphate or chloride process. This inherent inability to differentiate the product based on production route reinforces that both products constitute a like article and are fully interchangeable in the Indian market. Reliance is placed on the Final Findings in the Sunset review investigation concerning Phthalic Anhydride, holding that product produced through both routes finds application in the same segment and there is no basis to claim that imported goods are not comparable to goods manufactured by the domestic industry.

xli. The remand proceedings, including the Notification dated 17th October 2025, filing of additional submissions, and conduct of oral hearing, ensured that interested parties were afforded a fair opportunity to comment upon confidentiality claims and the basis for inclusion of R-S TiO2 within the scope of the PUC. Accordingly, the procedural concerns identified by the Hon'ble High Court stand addressed in the present proceedings.

xlii. Requiring the DI to demonstrate supply of a product type to every individual customer segment, user cohort, or member of a user association would impose no basis under the Anti-Dumping Agreement, Section 9A of the Customs Tariff Act, 1975, or the Anti-Dumping Rules.

xliii. The duty levels at paragraph 128 of the Disclosure Statement do not reflect the current and higher levels of duties imposed by other investigating authorities. The Authority is requested to verify and correct the duty. As the higher duty levels in other jurisdictions reinforce the likelihood of diversion of dumped Chinese volumes into the Indian market in the absence of effective duties.

xliv. Ongoing investigations in Australia and the UK are likely to trigger provisional trade remedial measures, raising the risk that dumped Chinese volumes will be diverted into India. The higher ADD imposed by Brazil, the European Union, and Saudi Arabia call for a reassessment of the NIP adopted by the Authority in the present investigation. The NIP could be reconsidered to a level of comparable to Brazilian and European ADD.

<u>O.2. Submissions made by the Domestic industry:</u>

169. The following submissions have been made by the domestic industry in response to the Disclosure Statement issued:

i. The Authority has correctly accepted the confidentiality claims relating to customer names, customer-specific sales information, invoices, costing records, trial balances and related commercial information, which constitute sensitive business information deserving protection under Rule 7 of the Anti-Dumping Rules.

ii. The Authority has correctly confirmed that TTPL manufactured and sold Rutile-Sulphate TiO2 during the injury period and the POI based on verified evidence including production records, sales data, cost audit reports, verification documents and sales invoices.

iii. The Authority has correctly concluded that Rutile-Sulphate TiO2 forms part of the product under consideration and that Rutile-Sulphate and Rutile-Chloride TiO2 constitute like articles and are commercially interchangeable.

iv. The setting aside of the Final Findings dated 12 February 2025 and remand of the matter permits the Authority to undertake a fresh examination of consequential issues including determination of NIP, injury margin and anti-dumping duty and is not restricted solely to confidentiality and PUC-related issues.

v. The non-injurious price requires reconsideration as certain expenses and cost elements incurred by the domestic industry were either not fully recognised or only partly allowed, resulting in suppression of the NIP and consequential reduction in injury margins and duties.
vi. Production volumes of the domestic industry were adversely impacted by dumped imports from China, resulting in reduced production and underutilisation of capacity due to financial strain rather than inefficient operations.
vii. The coating cost considered by the Authority appears significantly lower than the actual coating costs reported by the domestic industry in its records and financial statements, resulting in understatement of the NIP.
viii. The value adopted for utilities appears lower than the actual utility costs reported and supported by records maintained by the domestic industry and therefore warrants reconsideration.
ix. The recommended duty based on understated NIP and injury margins is incapable of fully removing the injury suffered by the domestic industry and therefore fails to achieve the remedial objective of anti-dumping measures.
x. The methodology adopted for determination of injury margins for non-cooperating exporters requires reconsideration, as the margins for non-cooperating exporters are not materially different from those for cooperating exporters despite substantial non-cooperation.
xi. The export prices adopted for non-cooperating exporters appear higher than the levels normally considered by the Authority in such circumstances, resulting in understated margins.
xii. Disclosure of customer identities was not necessary to establish manufacture and sale of Rutile-Sulphate TiO2 since extensive verified evidence already existed on record confirming production and sales.
xiii. The disclosure of the name of one paint customer was inadvertent and unauthorised, and confidentiality over the identity of that customer should continue to be maintained in the final findings as disclosure of such information may cause commercial prejudice to the domestic industry.
xiv. The relevant issue before the Authority is whether Rutile-Sulphate and Rutile-Chloride TiO2 constitute like articles and are commercially interchangeable, and not whether every paint manufacturer or customer purchased Rutile-Sulphate TiO2 produced by TTPL.
xv. The domestic industry has demonstrated that Rutile-Chloride TiO2 produced by KMML and Rutile-Sulphate TiO2 imported into India and produced by TTPL are used for the same applications, cater to the same customers and compete in the same market.
xvi. Anti-dumping law does not require the domestic industry to replicate every imported variant, supply every customer, or manufacture products identical to every imported grade for a product to be considered a like article.
xvii. The Authority has correctly concluded that Rutile-Sulphate and Rutile-Chloride TiO2 possess comparable characteristics, overlapping applications and commercial interchangeability and therefore appropriately fall within the scope of the PUC.
xviii. Investigating authorities in Brazil, the European Union, and Saudi Arabia have concluded that Rutile TiO2 produced through both sulphate and chloride routes constitutes a single like article and falls within the same product scope notwithstanding differences in production route.
xix. The Brazilian Authority concluded that there was no proof of differentiation between TiO2 produced through chloride and sulphate routes that would justify treating them as separate products and held that both products were highly substitutable.

xx. The Brazilian Authority imposed anti-dumping duties on both Rutile-Sulphate and Rutile-Chloride TiO2 despite the domestic industry producing only sulphate-route material, thereby confirming that exact product identity is not required for determining like articles.

xxi. The European Commission rejected requests for exclusion of chloride-route TiO2 and concluded that chloride and sulphate route TiO2 are used in the same industries, sometimes even in the same applications, and therefore fall within a common product scope.

xxii. The position of the domestic industry regarding interchangeability of Rutile-Sulphate and Rutile-Chloride TiO2 is corroborated by findings of multiple foreign investigating authorities.

xxiii. IPA repeatedly asserted during the original investigation that there were no domestic commercial sales of Rutile-Sulphate TiO2 to the paint industry but subsequently admitted during remand proceedings that purchases had been made by a paint industry customer until 2019.

xxiv. The Authority itself has recognised that IPA's admission contradicts its earlier assertion that the domestic industry had not supplied Rutile-Sulphate TiO2 to the paint segment at all.

xxv. IPA cannot simultaneously maintain that no sales existed and subsequently argue that sales existed but were insignificant, as such shifting positions undermine the credibility of its challenge to inclusion of Rutile-Sulphate TiO2 within the PUC.

xxvi. The claim that sales to the paint industry were only in extremely small quantities is contradicted by (***) commercial transactions involving (*** MT) supplied to the paint customer and its group entities between 2005 and 2019.

xxvii. Exporter and interested-party submissions on record themselves demonstrate that Rutile-Sulphate and Rutile-Chloride TiO2 are interchangeable and compete in the same market.

xxviii. Interested parties have admitted that Rutile-Sulphate and Rutile-Chloride TiO2 are used interchangeably in paints and plastics applications and that customers switched between the two after imposition of duties, evidencing commercial substitutability.

xxix. The recommendation and imposition of anti-dumping duties is in public interest as it would help establish a level playing field, encourage domestic manufacturing and reduce excessive dependence on imports from China.

xxx. The Indian TiO2 market supports downstream industries with turnover of approximately Rs. *** crores and continued viability of domestic TiO2 production is critical for these industries.

xxxi. Close to 67% of imports originate from China and cessation of domestic production would leave Indian consumers and industries vulnerable to Chinese market dominance.

xxxii. Anti-dumping duties have already been imposed by the European Union, Brazil, Saudi Arabia and the Eurasian Economic Union, while the United Kingdom has initiated an anti-dumping investigation concerning TiO2 from China, demonstrating global concern regarding Chinese dumping.

xxxiii. The European Commission concluded after a detailed public interest examination that there were no compelling reasons against imposition of definitive anti-dumping duties on TiO2 from China.

xxxiv. There exists a domestic demand-supply gap in TiO2 and multiple foreign investors are considering large-scale capacity investments in India, which require a fair competitive environment free from dumped imports.

xxxv. The projected increase in domestic demand for TiO2 by 2030 would require significant greenfield investments, which are unlikely to materialise if Chinese dumping continues unchecked.

xxxvi. The proposed duties are unlikely to have any significant adverse impact on downstream consumers because TiO2 represents only one component of the overall cost structure of downstream products such as paints and coatings.

xxxvii. Historical market behaviour demonstrates that reductions in TiO2 prices were not proportionately passed on to end consumers by major paint manufacturers, indicating significant pricing power and ability to absorb cost changes.

xxxviii. Recent geopolitical developments underscore the need to maintain domestic TiO2 production capability and reduce vulnerability to external supply disruptions.

xxxix. The objective of anti-dumping duties is not to restrict imports but to restore fair competition by neutralising injurious dumping and enabling domestic producers to compete on equitable terms.

xl. The broader economic benefits of duties, including preservation of employment, manufacturing capability, supply security, investment and regional development, substantially outweigh any limited impact on downstream users.

xli. KMML's TiO2 operations support strategic national initiatives including Titanium Sponge and Monazite Cracking projects linked to defence, aerospace and nuclear sectors, and closure of the TiO2 plant may adversely affect these strategic capabilities.

xlii. The impact of duties on downstream products has been quantified by the domestic industry and is submitted to be minimal and insignificant.

xliii. Duty levels imposed by investigating authorities in other jurisdictions demonstrate the severity of distortions caused by dumped Chinese imports and provide useful context for determining an appropriate level of protection in India.

xliv. Since anti-dumping duty was previously imposed and subsequently set aside on technical grounds before remand, the Authority is requested to recommend application of duties from the date on which they were withdrawn by the Ministry of Finance.

xlv. The domestic industry requests the Authority to confirm its conclusions regarding confidentiality, inclusion of Rutile-Sulphate TiO2 within the PUC, and the finding that Rutile-Sulphate and Rutile-Chloride TiO2 are like articles, while also reconsidering NIP, injury margins and anti-dumping duty levels to ensure effective relief against injurious dumping.

O.3. Examination by the Authority

170. The Authority has examined the post-disclosure submissions filed by the interested parties. The Authority has examined hereinbelow the contentions raised by the interested parties in their post-disclosure comments, to the extent considered relevant by the Authority. Post-disclosure submissions merely reiterating earlier submissions and which have been adequately examined by the Authority have not been examined here again for the sake of brevity.

i. Whether conclusive and determinative language has been used in the Disclosure Statement and whether the same implies a decision by the Authority without getting comments from interested parties

171. It has been argued by certain interested parties that the Authority has used conclusive and determinative language in the Disclosure Statement in contravention of the mandate under Rule 16, which does not allow the Authority to conclude contentious issues at the stage of the Disclosure

Statement.

172.The Authority has examined the submissions of the interested parties in this regard and considers that the contention is misplaced.

173.At the outset, the Authority has clearly stated in the Disclosure Statement itself that "*notwithstanding the facts given in this Disclosure Statement (including facts given on a confidential basis), the Designated Authority would consider all replies given, on merit, in order to arrive at a final determination*." The Authority also stated that "*The Authority would conclude on the matter and give its final determination and recommendation after receiving comments from the domestic industry and other interested parties on this Disclosure Statement*." It is just evident that the Authority has not closed its consideration or determination to any submissions made by interested parties prior to issuance of Disclosure Statement, merely on the grounds that the same has already been examined and decided in the Disclosure Statement. Entirety of examination in the Disclosure Statement remains open to the Authority for its consideration on the basis of submissions made by various interested parties in response to their comments to the Disclosure Statement.

174.The interested party has relied upon the judgment of the Hon'ble Gujarat High Court in Nirma Ltd. v. Union of India (2017). The Authority notes that In Nirma Case, facts were entirely different as the Designated Authority concluded based on various facts in the Disclosure Statement itself that levy of Anti-dumping duty is no longer justified. The Hon'ble High Court held that the conclusion recorded by the Designated Authority in the Disclosure Statement that levy of Anti-dumping duty is no longer justified, amounts to arriving at a decision as to whether or not to apply definitive measures based upon essential facts recorded by it. The very fact that the Designated Authority, without waiting for the comments on the Disclosure Statement, has recorded its conclusions as to whether or not to apply definitive measures had vitiated the final finding.

175.It is further noted by the Authority that in paragraph 31.5 of the said judgment, which is also relied upon by the interested party, the Hon'ble Court has categorically held the following:

> *31.5 Thus, while Article 6.9 does not prescribe a particular form for the disclosure of the essential facts, it does require in all cases that the investigating authority disclose those facts in such a manner that an interested party can understand clearly what data the investigating authority has used, and how those data were used to determine the margin of dumping. The Disclosure Statement, therefore, contains the intermediate findings and conclusions of the designated authority on the essential facts which would form the basis for the decision whether or not to apply definitive measures and not final conclusions on whether or not definite measures are required to be applied.* ***In the opinion of this court, as rightly submitted by the learned counsel for the petitioners, the Disclosure Statement should contain the conclusions of the designated authority on those essential facts which would form the basis for its decision as to whether or not to apply definitive measures and not its conclusions on the basis of those essential facts. The conclusions on the basis of the essential facts are to be recorded in the final findings, viz., whether or not on the basis of such facts definitive measures are required to be applied*** *……"*

176. The Hon'ble Court has further clarified at paragraph 37 of the judgment that:

> *"As already discussed hereinabove, the Disclosure Statement is required to record only the essential facts which are necessary for the purpose of determining as to whether or not the definitive measures are required to be applied or not.* ***The designated authority is required to record its conclusions on those facts but not its conclusions based upon those facts. The conclusion as to whether or not the definitive measures are required to be applied is a conclusion based upon the essential facts and hence, could not have found place in the Disclosure Statement. Besides as to whether or not definitive measures are required to be applied is a conclusion that has to be recorded after receipt of the comments on the Disclosure Statement. The conclusion recorded by the designated authority in the Disclosure Statement that levy of Anti-dumping duty is no longer justified, amounts to arriving at a decision as to whether or not to apply definitive measures based upon essential facts recorded by it….."***

177. The Authority takes note of its consistent practice that under Rule 16, the Authority is required to disclose the essential facts under consideration, including conclusions on such facts, which would cumulatively form the basis for its decision in the final findings. The Authority, in the Disclosure Statement, examines the material on record, states its views and conclusions resulting from such examination, and provides the reasoning therefor, while clearly stating that such disclosure does not amount to final determination and that submissions received after issuance of the Disclosure Statement would be duly considered prior to issuance of final findings.

178. The Authority considers that statements in the Disclosure Statement are the views which are formed upon the examination of the material on record, on the various issues under consideration and these do not amount to "pre-judgement" or "final adjudication", as expressed by some interested parties. The interested parties were asked to offer comments to the Disclosure Statement. The observations in the Disclosure Statement therefore, do not amount to final determination by the Authority. In the present investigation, the Authority has duly considered the submissions received from the interested parties on the Disclosure Statement and has duly taken them into account in arriving at its final determination.

179. In view of the above legal position and consistent practice, the Authority finds that the contention that the present Disclosure Statement contains "conclusive" or "definitive findings" is without merit. The Authority notes that the Disclosure Statement sets out the essential facts under consideration in accordance with what was held in *Nirma case.* The Authority further notes that the Disclosure Statement does not record any conclusion as to whether definitive measures are required to be imposed. Accordingly, the Authority finds no infirmity in the Disclosure Statement on this account.

ii. <u>Whether the scope of the remand was confined to limited issues but, investigation has been reopened with fresh evidence</u>

180. It has been contended by the interested party that the scope of the remand as per the directions of the Hon'ble High Court of Calcutta in the order was confined to limited issues of confidentiality, however, that the Authority has reopened the investigation with fresh evidence admitted and new

legal reasoning introduced.

181. In this regard, it is essential to go through the order of the Hon'ble High Court. The relevant and operative portion of the order is extracted below:

> *"56. In my view, the procedural safeguard in terms of article 6.9 of the ADA which has been incorporated in the said Act, and the rules framed thereunder, especially in Rule 7(2) of the said Rules has not been followed………."*

> *"56… The matter is remanded back to the designated authority for reconsideration of the aforesaid issue, from the stage of the response filed by the petitioner for the purpose of considering the same in accordance with the observations made herein and the scope and object of Rule 7(2) of the said Rules….."*

182. It is the contention of the interested parties that the scope of the remand pursuant to the order of the Hon'ble High Court is limited, and that the Authority has allegedly exceeded the same by reopening the investigation. The Authority has carefully considered the said contention and finds it to be without merit.

183. At the outset, it is observed that the Hon'ble High Court, in its order, has categorically recorded that Article 6.9 of the ADA, as incorporated in Rule 7(2) of the AD Rules, had not been followed in the final findings of original investigation. On that basis, the Hon'ble Court set aside the final findings and the consequent levy of duty and remanded the matter to the Authority for reconsideration from the stage of the response filed by the petitioner, in accordance with the observations made within the order as well as the scope and object of Rule 7(2) of the Rules. Thus, the direction of the Hon'ble Court is explicit in requiring the Authority to reconsider the matter in light of, and in conformity with, the requirements of Rule 7(2).

184. The Authority further notes that Rule 7(2) mandates that any party claiming confidentiality is required to furnish a non-confidential summary of the information supplied, or, where such summarisation is not possible, to provide a statement of reasons explaining why such summarisation cannot be made. The Hon'ble High Court has specifically observed that this requirement had not been adhered to in the original proceedings and that the Authority failed in fulfilling its obligation in calling for the relevant information at the appropriate time. Accordingly, the remand necessitates an examination of confidentiality claims in accordance with Rule 7(2). Such examination cannot be undertaken without calling upon the concerned parties, including the domestic industry, to provide appropriate justification for their claims of confidentiality or to furnish adequate non-confidential summaries.

185. In view of the above, the Authority finds that the actions undertaken in the remand proceedings, including calling for justification of confidentiality claims and examining the same, are in compliance with the directions of the Hon'ble High Court and the mandate of Rule 7(2). The Authority also does not find merit in the contention that the remand proceedings amount to granting a "second opportunity" to the domestic industry. The opportunity being provided to the domestic

industry to justify its confidentiality claims flows directly from the requirements of Rule 7(2) and the observations of the Hon'ble High Court.

186. It is further noted that the Hon'ble High Court's order envisages that the Authority should have, in the original proceedings, required non-confidential versions of submissions and examine the confidentiality claims accordingly. Therefore, in the remand proceedings, the Authority is obliged to undertake this exercise by requiring that the domestic industry comply with the requirements of Rule 7(2), including providing justification where summarisation is not feasible.

187. The Authority also observes that, while the remand is to be undertaken from the stage of the response filed by the petitioner, the examination of confidentiality claims pertains to the material already on record at that stage. Allowing the domestic industry to furnish justification for such claims does not introduce new evidence but constitutes a procedural step to render the existing record compliant with Rule 7(2). In this regard, the Authority notes that the domestic industry has relied upon the information already on record of the investigation.

188. It has been contended that reliance has been placed upon material that was not part of the original record such as Trade Notice No. 1/2013, the submissions of the Domestic Industry dated 31 October 2025 furnishing reasons for confidentiality, subsequent clarification letters and correspondence, references to determinations of foreign jurisdictions, and certain pre-POI or historical transactions.

189. As noted above, the present proceedings are being undertaken pursuant to the directions of the Hon'ble High Court, which, inter alia, required the Authority to reconsider the scope of confidentiality under Rule 7(2) and to disclose essential facts forming the basis of inclusion of R-S TiO2 within the product scope. Accordingly, the Authority was under the obligation to ensure that all material necessary for arriving at a determination on the issue of inclusion of R-S TiO2 was duly considered, examined, and, to the extent required, disclosed as essential facts. Further, as noted above, the present proceedings are being undertaken pursuant to the directions of the Hon'ble High Court, which, inter alia, required the Authority to reconsider the scope of confidentiality under Rule 7(2) and to disclose essential facts forming the basis of inclusion of R-S TiO2 within the product scope. Accordingly, the Authority is under the obligation to ensure that all information for arriving at a determination on the issue of inclusion of R-S TiO2 was duly considered, examined, and, to the extent required, disclosed as essential facts. In this regard, it is noted that in the original final findings dated 12 February 2025 which is now set aside, the Authority had concluded that ***'given the interchangeability and competitive market positioning of both sulphate and chloride rutile titanium dioxide, the inclusion of sulphate-rutile titanium dioxide within the scope of the product under consideration is appropriate and justified**.*' Since this conclusion on interchangeability and competitive market positioning of R-S TiO2 and R-C TiO2 constitutes an essential fact forming part of the basis for inclusion of R-S TiO2 within the PUC scope, the Authority is obliged under Rule 16 and the High Court's direction to disclose the reasoning and evidence underlying the said conclusion, so that interested parties may meaningfully contest the basis of R-S inclusion.

190. The Authority further notes the following with regard to the material cited by the interested party:

i. Reference to Trade Notice No. 1/2013 cannot be termed as reliance on new facts or information. Trade Notice No. 1/2013 is public notice and therefore the Authority can rely upon the same for the purpose of its determination.

ii. The acceptance of the Domestic Industry's submissions dated 31 October 2025, including the good cause statement, was in direct compliance with the Authority's notification dated 17th October 2025, which in itself was issued in pursuance of the Hon'ble High Court's directions.

iii. The consideration of all post-remand submissions by interested parties, clarification letters, and correspondence was necessary to ensure a complete and proper appreciation of facts with regard to the issues that are being examined in this remand back proceedings.

iv. The reference to foreign authority determinations was limited to aiding the analysis on like article and product scope, and treatment of R-S TiO2 by these jurisdictions, which aided in including R-S TiO2 as part of the product scope and is also recognized practice. The Authority notes that the domestic industry had already referred to and relied upon the same prior to issuance of original final findings. Moreover, there can be no bar on reliance placed on other investigating authorities' determination at this stage of the proceedings. This was indeed relevant and necessary considering that the primary challenge of the interested parties is that R-C TiO2 and R-S TiO2 are totally different products, and these investigating authorities have found that R-C TiO2 and R-S TiO2 are like article.

v. The examination of certain historical or pre-POI information was undertaken only to the limited extent necessary to understand product characteristics, production capabilities, and industry practices relevant to addressing the concerns of the interested parties regarding absence of sales of R-S TiO2 to paint industry. It is now evident that Asian Paints and Indian Paint Association suppressed vital information from the Authority and repeatedly contended that R-S TiO2 was not supplied by the domestic industry. It is only when the domestic industry brought on record that R-S TiO2 was supplied by the domestic industry as well that Asian Paints and Indian Paint Association admitted the same, but stated that the volumes were not commercial. The domestic industry provided information showing that the volumes were commercial. It is also noted that the non-confidential version of the application filed by the domestic industry clearly shows separate injury statement with four years data in respect of R-S TiO2 sold by the domestic industry.

191. Accordingly, the Authority finds that the consideration of the aforesaid material was not impermissible but was in fact necessitated by the directions of the Hon'ble High Court and the requirement to disclose essential facts relating to the inclusion of R-S TiO2 in the PUC.

192. The Authority also notes even if the above material as well as the letter dated 7th February 2025, which was alleged to suffer from lack of good cause statement on confidentiality and circulation is excluded from consideration in determination of whether R-S TiO2 should be included within the product scope, the conclusion regarding such inclusion remains unchanged by virtue of several other information and evidence on record as examined by the Authority.

193. The Authority holds that the record as it stood during the original investigation, already contained sufficient information and evidence demonstrating production and sale of R-S TiO2 by the domestic industry. The same is evident from, inter alia, the documents forming part of the application, such as production process flowchart, costing formats, injury statement, capacity evidence, cost audit

reports, invoices, etc. The Authority notes that these information were already available on record and duly verified during the course of the original investigation. In fact, the Authority has prepared separate NIP for the goods produced by TTPL, which includes separate NIP for R-S TiO2 produced by the company. Consequently, the inclusion of R-S TiO2 within the scope of the PUC is supported by substantive and verifiable evidence.

194. In view of the above, the Authority holds that the reliance on the material is justified and consistent with the directions of the Hon'ble High Court. Further, even ignoring such material, the conclusion regarding inclusion of R-S TiO2 in the PUC is fully supported by the evidence already on record.

iii. Whether domestic industry's request to expand the remand proceedings to redetermine NIP, injury margin and quantum of duty can be considered within the scope of the present remand proceedings

195. The domestic industry has submitted that Hon'ble High Court has quashed the final findings and the Authority shall reconsider all submissions and issue final finding specifically in regard to the determination of NIP, injury margin and quantum of duty. It has further contended that the NIP determined in the original investigation is unduly low and the same should be re-examined considering the full cost information and evidence on record. The domestic industry further submitted that with revision in the NIP, the consequential injury margins and duties should be recalculated to provide effective relief against the dumping.

196. In this regard, the Authority reiterates that the Hon'ble High Court remanded the matter to the Authority for reconsideration of the issue of confidentiality from the stage of the response filed by the IPA. The Hon'ble High Court further held that the Authority was obliged to disclose the essential facts forming the basis of its determination in terms of Rule 16 of the Anti-Dumping Rules to verify the very basis on which R-S TiO2 was included within the scope of the product under consideration. It is therefore evident that the present remand proceedings are confined to reconsideration of the issues relating to confidentiality and disclosure of essential facts concerning the inclusion of R-S TiO2 within the product scope. Examination of any other issues, including the domestic industry's request for redetermination of the Non-Injurious Price (NIP), falls beyond the scope of the remand proceedings. Accordingly, the Authority does not consider it appropriate to revisit or modify the NIP in the present remand proceedings.

197. In any event, the Authority notes that the issues relating to the cost elements now raised by the domestic industry were duly examined during the original investigation. These issues were considered pursuant to the domestic industry's comments on the Disclosure Statement, and the Authority addressed the same in the final findings. Since these issues have already been examined and determined, and do not form part of the limited scope of the present remand proceedings, there is no basis to revisit them. The relevant extract from the original findings, which is adopted herein, is reproduced below:

"As regards domestic industry's contention regarding underestimation of coating cost, the Authority notes that the coating cost assessment is based on verified data made available by

the domestic industry and after considering relevant cost components in accordance with the principles enshrined under Annexure III of the Anti-Dumping Rules."

iv. <u>Whether the domestic industry did not fulfil statutory requirement of good cause statement for claiming confidentiality and whether the Authority was obliged to direct the domestic industry to give reasons for its confidentiality claim</u>

198. The interested party has contended that the domestic industry has not given the statutory requirement of a good cause statement which is mandatory prescription under Rule 7(2) of the Rules.

199. It is noted that the final findings notified by the Authority were remanded back to the Authority precisely for the reason that the Authority accepted the confidentiality claims without giving good cause for the same. Therefore, the Authority issued a notification dated 17th October 2025, specifically calling upon the domestic industry to provide a detailed justification in support of its claims of confidentiality. The said notification was issued in compliance with the directions of the Hon'ble High Court, which had, inter alia, directed the Authority to reconsider the issue of confidentiality in light of Rule 7(2) and the observations contained in the order. One of the observations of the Hon'ble Court was that it was for the Authority to have required reasoning for the claims of confidentiality from the domestic industry.

200. Pursuant to the aforesaid notification, the domestic industry submitted a detailed good cause statement vide its submissions dated 31st October 2025. The Authority finds that the domestic industry has provided reasons substantiating its claims for confidentiality.

v. <u>Whether Authority has not followed practice followed in previous cases with regard to name of customers</u>

201. It has been contended that the Authority has directly contradicted its own approach in the cases of Halobutyl Rubber and Effect Pearlescent Pigments, where customer identities were disclosed to substantiate claims of commercial sales. In the present case, domestic industry has claimed confidentiality regarding names of customer. In this regard, the Authority notes that the information, for which disclosure has been sought by interested parties, has been considered confidential by the domestic industry. It is noted that such information has been claimed confidential by the users and foreign exporters as well. The users cannot, on the one hand, contend that the domestic industry has claimed excessive confidentiality by protecting the details of its supplies; while on the other hand, claiming the details of their own procurements as confidential.

vi. <u>Whether Rutile-Sulphate TiO2 should be excluded from the scope of the PUC</u>

202. It has been contended by the interested parties that R-S TiO2 ought to be excluded from the scope of the product under consideration on the ground that the domestic industry does not produce or sell the said grade, that any such claim, if made, has not been substantiated with evidence, and if any sales have been made, the same is not in commercial quantities.

203. It is noted that the information furnished by the domestic industry, both at the stage of initiation and

during the course of the investigation, established that TTPL manufactured and sold R-S TiO2. TTPL has provided separate injury statement and costing information for R-S TiO2. A number of other information were part of the application which clearly showed production and sale of R-S TiO2. The NCV of the application also establishes the same. The Authority notes that the information on record since the stage of initiation contained detailed information in respect of production and sales of R-S TiO2, including injury data, costing formats, production records, product-wise segregation of data. The same has been duly examined and verified by the Authority during the course of the investigation.

204. The evidence provided by the domestic industry includes process flow charts demonstrating manufacturing of TiO2 through the sulphate route, capacity evidence for sulphuric acid, financial statements showing sales revenue from R-S TiO2, cost audit reports indicating production and cost elements specific to R-S TiO2, and trial balance and sales data showing sales of R-S TiO2. The Authority also notes the sample sales invoices and verified production and sales information, which shows transactions of R-S TiO2.

205. The Authority also observes that the argument seeking exclusion on the ground of alleged absence of sales to specific user segments, such as the paint companies who are members of Indian Paint Association, is misplaced. The determination of the scope of the product under consideration does not require the domestic industry to demonstrate sales to each and every end-use segment. It is sufficient that the domestic industry produces and sells the product. The Authority notes that absence or limited sales to a particular segment would not warrant exclusion of the product from the scope of product under consideration. Further, the Authority also notes that evidence on record establishes sales of R-S TiO2 to both paint and non-paint users.

vii. Whether R-S TiO2 sales made by the domestic industry are not in commercial quantities

206. With regard to the contention that the domestic industry has not made sales in commercial quantities, the Authority notes that the Rules do not prescribe any minimum threshold of sales volume as a condition for determining the scope of the product under consideration. The relevant consideration is whether the domestic industry has produced and sold the like article in commercial volumes. In the present case, the evidence on record clearly establishes that the domestic industry has undertaken production and sale of R-S TiO2 during the injury period, in commercial quantities. The Authority further notes that such sales have been made to various categories of consumers and are reflected in the verified records of the domestic industry.

viii. Whether TiO2 with particle size of 200–350 nm should be excluded from the product scope

207. The Authority has examined the submissions made by the interested parties that TiO2 particle size within the range of 200–350 nm should be excluded within the scope of the product under consideration. The Authority notes that the product under consideration was defined at the stage of initiation as Titanium Dioxide, excluding food, pharma, skin-care, textile and fibre applications, and nano or ultrafine Titanium Dioxide having particle size below 100 nm. Further, being a remand proceeding the instant contention falls outside the scope of the remand investigation.

ix. <u>Whether complete skin care products should be excluded, or, Authority should clarify that the term "cosmetics" includes toilet soaps</u>

208. Interested parties have requested either a complete exclusion for the product under consideration used in skin-care products or an express clarification that the term "cosmetics" includes toilet soaps. The Authority notes that the present proceedings arise pursuant to the remand directions of the Hon'ble High Court and are limited to the issues of confidentiality, disclosure of essential facts, and matters consequential thereto. Issues relating to modification of the scope of exclusions already determined in the original investigation do not arise from the remand directions and therefore fall beyond the scope of the present proceedings. The Authority further notes that the exclusions have already been addressed in this finding and it excludes titanium dioxide meant for skin care. Accordingly, the Authority does not consider it appropriate to revisit or modify the scope of exclusions in the present remand proceedings.

x. <u>Gold Star Trading group's contentions on export price and profitability</u>

209. Gold Star Trading has contended that the export price should be constructed using the selling prices of the related trader rather than the producer group and that the profitability must be revised for purchase cost, constructed export price, and dumping margin calculations. The Authority notes that the present remand proceedings have not been initiated for reconsideration of normal value, export price, dumping margin, or adjustment methodologies applied in the original investigation. The Hon'ble High Court remanded the matter solely with respect to confidentiality and disclosure of essential facts relating to inclusion of R-S TiO2 within the scope of the product under consideration. Accordingly, the Authority considers that issues relating to export price construction and dumping margin calculations are beyond the scope of the present proceedings and therefore need not be re-examined.

xi. <u>Whether duty imposition should be recommended from the date it was withdrawn by the Ministry of Finance</u>

210. The domestic industry has contended that, since anti-dumping duties were earlier imposed on the subject goods and were subsequently set aside by the Hon'ble High Court on procedural grounds, the anti-dumping duty recommended pursuant to the present remand proceedings should be made applicable from the date on which the earlier duty ceased to be in force. The Authority notes that the Hon'ble High Court has clearly stated that the levy of duty effected by notification dated 10th May, 2025 cannot be sustained and the same with the final findings have accordingly been quashed. The Authority, therefore, does not agree with the contention of the domestic industry that anti-dumping duty recommended pursuant to the present remand proceedings should be made applicable from the date on which the earlier duty ceased to be in force. The Authority holds that the duties can thus only be imposed when it will be notified by the Ministry of Finance.

xii. <u>Whether disclosures requested by IPA vide letter dated 19th May 2026 justified any further disclosure by the Authority</u>

a. Request for disclosure regarding details of months in which sales to paint industry were made

211. It has been argued that in the original findings it is noted that the domestic industry made commercial sales of R-S TiO2 and paint industry invoices were provided. It has further been submitted that in the remand proceedings, the domestic industry itself admits that R-S TiO2 was not sold to the paint industry during the POI. It was requested that details of months in the injury period and POI when sales to paint industry were made including volumes and details of the paint company be disclosed.

212. On examination of the submissions of the domestic industry, it is seen that the domestic industry has not made any submission in the remand proceedings that R-S was not sold to the paint industry during the POI. On the contrary, it is seen from the submissions that the domestic industry has maintained that it has sold R-S to various categories of customers including the paint industry during the POI. As regards the commercial sale of R-S TiO2 to paint industry is concerned, attention is drawn to para 25 of the Disclosure Statement. The Authority's determination not to exclude R-S TiO2 from the scope of the product under consideration is not solely based on sales of TiO2 to Asian Paints or any specific paint company or those Paint companies who are member of the IPA. Relevant part is extracted below. Further, it is reiterated that the domestic industry provided, in its application, separate injury and costing information for R-S TiO2, along with other information/documents:

> ***Para 25:*** *The Authority's determination on the inclusion of R-S TiO2 within the scope of the PUC is not primarily based on sales to Asian Paints or any specific paint company.* ***The determination rests on the finding that TTPL has produced and sold R-S TiO2 commercially****, that R-C TiO2 and R-S TiO2 are like articles in terms of Rule 2 (d) of AD Rules, and that the DI is not required to have sold the product to every segment of the consumer market before seeking imposition of anti-dumping duty.*

b. Request for disclosure regarding data corresponding to commercial quantities of R-S sale

213. Further disclosure has been requested in respect of the data on sale of R-S in commercial quantities and it has been submitted that since there has been no actual data disclosed, the conclusion is factually incorrect. It has been further argued that information that the domestic industry itself has disclosed cannot be selectively withheld by the Authority.

214. The matter has been examined, and it is noted that at para 28 of the Disclosure Statement the Authority has already elaborated that it examined all records of the original investigation as well as the present remand proceedings to verify the production and sale of R-S TiO2 by TTPL and to examine production and sales of R-S TiO2 in commercial quantities.

215. As regards the contention that the sales volumes disclosed by the domestic industry in its written submissions have neither been reproduced nor expressly confirmed by the Authority, it is noted that the Authority is required to disclose essential facts forming basis of proposed determination on the basis of the record of the case. The Authority is not required to reproduce each and every information brought by the interested parties. Non-reproduction of such information does not imply non

consideration of the same. In fact, a large number of information provided by domestic industry and foreign producers in an investigation relating to determination of dumping margin, injury and injury margin is considered by the Authority while arriving at the essential facts under consideration and final findings. The Authority however does not reproduce all those information either in the Disclosure Statement or in the final findings. At the stage of disclosure, the Authority is required to disclose essential facts under consideration based on which the Authority shall make determination. The Authority is not required to disclose the information that becomes the basis for establishing essential facts. In any case, the sales by the domestic industry of R-S has been verified and expressly confirmed in the present findings. The Authority has even determined NIP, which implies data for four years in commercial volumes.

c. <u>Disclosure of basis for 22% ROCE considered</u>

216. Disclosure of average historical rate of return for both the domestic industry and foreign producers concerning this industry have been requested. It has been further submitted that the request is being made as the 22% ROCE goes against established legal position that 22% ROCE cannot be simply applied as it is a very high rate and artificially inflates NIP and the injury margin.

217. In this regard, it is noted that the return on investment earned by the domestic industry over the injury period is given at Para 93 of the Disclosure Statement. It is clarified that the domestic industry earned a ROI much beyond 22% in one of the years during the injury period. However, it is the Authority's consistent practice to adopt 22% return on capital employed for the purpose of determination of NIP for the domestic industry.

218. As far as Chinese producers are concerned, return on investment earned by them in any case is not relevant.

xiii. <u>Whether coated R-S TiO2 and uncoated R-S TiO2 are like article</u>

219. It has been argued by interested parties that TTPL produces uncoated Rutile grade, which is far inferior in quality compared to coated Rutile grades imported from China and thus, TTPL's product is not comparable or interchangeable with coated Rutile (Sulphate or Chloride) grades under investigation. In this regard, the Authority notes that the only difference between the two is the process of coating, and in order to ensure fair comparison between sulphate-rutile titanium dioxide produced by the domestic industry and imported from exporters/producers of the subject country, appropriate adjustments have been made on account of coating cost for determining injury margin and dumping margin.

P. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

P.1.Submissions by other interested parties

P.1.a <u>Submissions made by other interested parties in the original proceedings</u>

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

interest:

i. Imposition of anti-dumping duty would increase the price of the subject goods, there by impacting paint and plastic manufacturers.

ii. One of the other interested parties have submitted that TiO2 has no substitutes that provide the same performance in their products. They have projected that the imposition of a 10% anti-dumping duty (ADD) would increase paint production costs by ₹5/kg for finished products, potentially raising paint prices by ₹3.5–6/kg depending on dosage levels in formulations. Given the significant share of TiO2 in paint formulations (15–20%), the cost increase would likely be passed on to consumers. Despite this, it is believed that demand for TiO2 is not highly price-sensitive but driven by quality, as domestic industry cannot meet the required standards for whiteness, sheen, and gloss. They have highlighted a significant dependency on imports, as the domestic industry lacks the capacity to meet demand.

iii. Consumers relying on affordable products would be unable to afford these products anymore.

iv. The cost of imports has already been increased due to the customs duty payable on the subject goods at 10%. Addition of anti-dumping duty would lead to a substantial price hike for titanium dioxide.

v. Imposition of duty would be against consumer interest as the largest consumer of subject goods is the paint industry. The demand supply gap in the country can only be overcome with imports.

vi. In total Indian consumption, there is likely not more than 10% of total Indian production. Hence, if duties are applied, it will affect the majority negatively.

vii. Domestically available rutile grade is not suitable and hence users will have to import, which will be deterred by duties if imposed.

viii. The duties imposed by the EU is causing difficulties to paint manufacturers within the EU and the same situation is likely to be replicated in India.

ix. Imposition of duties will bring challenges to the Indian masterbatch industry as there is financial stress on the industry due to inverted duty structure, and further, there will be a potential setback on export competitiveness.

x. India does not constitute an exceptionally high-growth or lucrative market for foreign exporters as demand has remained relatively steady over recent years and does not indicate significant or increasing attractiveness to foreign exporters.

xi. One of the other interested parties have asserted that the imposition of anti-dumping duties would have minimal impact on their operations. Despite previous price increases of up to 50% for TiO2, they experienced no interruptions in demand, suggesting that price hikes do not significantly affect the downstream industry. Further, they have emphasized that the demand for TiO2 is not highly price-sensitive, with no substitutes available in the market. They also mentioned that large paint companies typically pass price increases on to consumers without a reduction in demand. There are viable alternatives to Chinese TiO2 from non-subject countries, so they could easily switch suppliers if duties are imposed. TiO2 is a small component in finished products, and price increases would have a minimal effect on profitability.

P.1.b <u>Submissions made by other interested parties in the present remand proceedings:</u>

221. The other interested parties have made the following submissions with regard to injury and causal link in the present proceedings:

i. R-S enables producers to vary pigment loading thereby enabling affordable paint production unlike costly R-C and conflating these distinct products ignores market realities and risks any benefits of the social equity programmes of govt.
ii. Availability of affordable R-S is a matter of social equity, housing security and inflation control. Pradhan Mantri Awas Yojna aims at providing housing to million of families and key component to maintain 'Pucca' houses as per this scheme is paint.
iii. Making R-S unviable endangers 15,000 SME units, leading to widespread job losses and social disruption.
iv. Nemi Chem trades in Anatase grade which is indispensable for optical properties, dispersion and opacity making it a non-substitutable raw material in many formulations. Domestic industry's capacity for ISI-certified Anatase is 28,000–30,000 MT, while total demand is 2,00,000 MT, creating a gap of 1,70,000 MT. This gap necessitates imports to avoid supply disruption.
v. Global Anatase production is limited to China PR, Korea, and India. Korea meets its own demand while India's capacity is insufficient, making China's imports inevitable.
vi. The Authority's finding in the Acetone SSR (2016) held that if duties were extended it would not serve interest of DI or domestic producers, due to presence of significant demand-supply gap which necessitates imports. Similarly, here China has ample capacity to meet its domestic as well as global demand of Anatase.
vii. Imposition of ADD on Anatase would shut down allied facilities due to incapability of DI to satisfy demand and import price of Anatase being so high that it would be unaffordable for importers/users.
viii. ADD is unwarranted as imports are essential to sustain downstream industries and anti-dumping measure can't be used as protective barrier or to disrupt market equilibrium in order to penalize imports that are necessary to fill supply shortfall.
ix. Anatase constitutes 20-25% in paints, 30-40% in masterbatch, 15-20% in paper, and 18-20% in ceramics, making it a significant cost component in key industries. Duties would escalate costs which will be borne by downstream industries or consumers reducing competitiveness, distorting markets and harming economy.
x. Import prices rose from ₹175/kg to ₹225/kg post ADD, while Domestic Industry's prices only from ₹170/kg to ₹185/kg, showing underutilization of ADD protection.
xi. MSMEs will face closures from increase in prices. ADD will harm users more than it protects DI and outweighs Domestic Industry protection.
xii. TiO2 is a critical raw material for major industries like paints, plastics, inks, and packaging, which include a large number of MSMEs. Duties would increase input cost, reduce competitiveness of downstream industries and adversely impact employment and exports.

P.2. Views of the Domestic Industry

P.2.a <u>Submissions made by domestic industry in the original proceedings</u>

222. The following submissions have been made by the domestic industry with regards to public interest in the original proceedings:

i. The domestic industry constitutes the entire Indian industry and one more producer has recently entered the market. Imposition of duties is essential to ensure a fair market price and will prevent India from becoming solely import reliant. If duties are not imposed, Chinese producers will create a monopoly in the market.
ii. Increasing market share of the subject imports of China have not only caused injury to the domestic industry but also taken all the share of other countries.
iii. Encouraging domestic production will further boost employment, improve standard of living and increase the GDP of the country.
iv. Titanium dioxide is used in the paints and coating industry, plastic industry, paper, rubber and leather industries. The cost on account of subject goods for the downstream industry is miniscule. 70% of the demand for subject goods is generated by the paints industry wherein TiO2 hardly constitute 5% of the composition.
v. Titanium dioxide primarily serves the paint industry accounting for approximately 70% of total demand. The subject goods constitute a 5%, 25% and 30% of the overall composition of paints used in households, paints used in industrial application and powder coating used in appliances respectively. The eventual impact of duties on the end consumer would be minimal and non-consequential.
vi. If measures are not imposed, the industry is likely to shut down due to inability to match the price of the dumped imports, deteriorating profitability, and other financial indicators.
vii. The paint industry, even if unable to pass on any possible increase in cost to the consumers, would be able to absorb the impact of duties imposed themselves.
viii. As regards the plastics industry, the sector would remain profitable even if the impact of duties were not to be passed on or were not absorbed.
ix. Existence of demand supply gap does not justify dumping of the subject goods.
x. There exist imminent plans to expand the capacity of the domestic industry, and to make additions to the Indian industry, which will take away the need for imports as a whole.
xi. Any minimal impact on masterbatch industry can be passed on to the downstream user, and alternatively, there are other sources of TiO2 from where the masterbatch industry can source TiO2.
xii. For export competitiveness, exporters of masterbatch can obtain an advance authorization license, which would enable them to import products duty-free.
xiii. India is a growing market and the volume of demand offered by the Indian market is significant and unmatched by other countries individually.
xiv. Multiple investigating authorities have levied duties and initiated investigations on imports of TiO2 from China.
xv. Rutile through sulphate and rutile through chloride can both be sourced from alternate sources of supply, in the event that importers and users want to opt for alternate sources.
xvi. The product is a price sensitive and capital-intensive product and expansion of capacity for such product presents challenges and requires considerable time. Domestic industry is making efforts in this regard.
xvii. The domestic industry requires a fair market to make investments to further its plans of expansions.

P.2.b Submissions made by domestic industry in the present remand back proceedings

223. The domestic industry has made the following submissions with regard to injury and causal link in the present proceedings:

i. ADD is in public interest to prevent import dependence, ensure fair pricing, and sustain domestic capacity central to India's manufacturing objectives.
ii. KMML's TiO2 plant viability underpins strategic initiatives aligned with Atmanirbhar and critical minerals strategy. Persistent losses risk shutdowns with downstream defence/aerospace implications.
iii. Demand supply gap cannot justify dumped pricing and imposition of ADD does not block imports but only ensures fair, non-dumped prices so that domestic capacity can operate viably and expansion plans can proceed.
iv. Claims that ADD will cripple SMEs are unsubstantiated and quantified impact on downstream sectors is minimal, while reliance on dumped imports can destabilise supply.

P.3. Examination by the Authority

224. The Authority notes that the purpose of imposition of anti-dumping duty, 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. Imposition of anti-dumping measures does not aim to restrict imports from the subject country in any way. Trade remedial investigations are intended to restore equal competitive opportunities in the domestic market by ensuring a level playing field for domestic producers by the imposition of appropriate duties against trade distorting imports.At the same time, the Authority is aware that the impact of such duties is not limited to only the domestic producers of the PUC but also affects the users and consumers of the PUC. Moreover,the imposition of duties may stimulate the emergence of new producers within the country.

225. The Authority issued initiation notification inviting views from all the interested parties, including importers, consumers and others. The Authority also prescribed a questionnaire for the users/ consumers to provide relevant information about the present investigation includingany possible effects of anti-dumping duty on their operations. Information was sought on, inter- alia, interchangeability of the product supplied by various suppliers from different countries, ability of the domestic industry to switch sources, effect of anti-dumping duty on the consumers,factors that are likely to accelerate or delay the adjustment to the new situation caused by imposition of anti-dumping duty.

226. The interested parties have filed economic interest questionnaires. It is noted from the submission of all the interested parties that the subject goods are primarily used in the paint industry which constitutes a major portion of the total demand for the subject goods and the subject goods form very low percentage of the total volume of composition of the paints. The analysis submitted by the applicants and other interested parties shows that difference in the cost of the subject goods due to

impact of imposition of duties would not be significant.

227. The Authority notes that there exists a demand-supply gap in the present investigation. The Authority notes the submission of the domestic industry that active steps are being taken to expand capacity by the existing producers and also by new producers. One new producer, namely Meghmani Organics Pvt Ltd. has already set up new capacities post POI. It is also recognised that dumping needs to be addressed, so as to provide the Indian industry with a fair and level playing field to plan capacity expansion considering the fact that the industry is a capital-intensive industry.

228. It is also noted in this regard that existence of demand-supply gap does not justify dumping in any situation. The same has been held by the CESTAT in **DSM Idemitsu Limited v. Designated Authority**[5] as well as by the Gujarat High Court in NOCIL Limited v. Government of India. The Gujarat High Court held as follows in this regard:

> *"**Where gap of demand and supply exists, the imports are inevitable but that is not a justification for imports coming into India at unfair and dumped prices.** In view of the information made available by the petitioner to the authority, **it is clearly found that there is continuous dumping, in the present case and, therefore, the demand and supply gap is not the basis for allowing such import**."*

229. The Authority notes that the volume of imports from the subject country has increased throughout the injury period. The share of subject imports forms 57% of the total Indian demand. The increase in imports from the subject country has also adversely impacted the market share of the volume of imports from non-subject countries, whose share in the market has been reduced from 43% in the base year to 31% in the POI. The consumers have alternate sources of supply. Therefore, even if volume of imports decline as a consequence of the imposition of anti–dumping duties, imports from non–subject countries would replace such dumped imports and, thereby, mitigate the adverse effects, if any.

Q. CONCLUSION

230. Based on the submissions made, information provided, and facts available before the Authority as recorded above and on the basis of the above analysis of dumping and consequent injury to the domestic industry, the Authority concludes the following:

i) The scope of the product under consideration is "Titanium Dioxide" originating in or exported from China PR.
ii) The subject goods are classified under the customs sub-heading 28230010, and since it is a pigment, imports of subject goods are also being reported under 32061110 and 32061190.
iii) The application has been filed by M/s. Kerala Minerals and Metals Ltd, M/s. Travancore Titanium Products Ltd and M/s. VV Titanium Pigments Pvt. Ltd. The applicants constitute domestic industry, under Rule 2(b) of the Rules and the application satisfies the criteria of standing in terms of Rule 5(3).

[5] 2000(119) ELT 308 (TRI-DEL).

iv) The subject goods exported from China PR and the article manufactured by the domestic industry are 'like article' to each other in terms of Rule 2(d) of the AD Rules, 1995.
v) The product under consideration has been exported to India at a price below the normal value, resulting in dumping. The dumping margin is above de-minimis level and significant.
vi) The volume of subject imports increased over the injury period, especially in the POI, in absolute and relative terms. Imports of subject country constitute a majority of the total imports into India throughout the injury period.
vii) Imports have had a considerable impact on suppressing the prices of the domestic industry.
viii) Production and capacity utilisation increased from the base year and 2021-22 after which there was a decline. Capacity utilisation is low despite high demand in the country.
ix) Sales of the domestic industry increased till 2021-22, declined in 2022-23, and increased in the POI.
x) Market share of imports from the subject country in domestic demand has increased whereas, that of domestic industry has declined over the injury investigation period.
xi) Profits and cash profits have declined for the domestic industry during the injury investigation period. The domestic industry is incurring losses since 2022-23 and the POI. ROI has also declined steeply and was negative ***% in the POI.
xii) Average inventory has increased significantly during the injury period.
xiii) Number of employees and wages paid have decreased over the injury period with marginal increase in the POI as compared to previous year.
xiv) Productivity per employee increased in the base year and 2021-22, while decreasing in 2022-23 and the POI.
xv) Imports at dumped prices have adversely impacted the growth of the domestic industry.
xvi) No other factor appears to have caused injury to the domestic industry. It is noted that domestic industry has suffered material injury as a result of the dumped imports of the subject goods from subject country, and is facing threat of injury from subject country.
xvii) Confidentiality claimed by the domestic industry with regard to customer names is appropriate as it is business sensitive information.
xviii) The order of the Hon'ble High Court of Calcutta has been complied with and the issues of confidentiality and disclosure of essential facts have been accordingly reconsidered, examined, and addressed.
xix) Rutile-Sulphate TiO2 falls within the scope of the product under consideration as the evidence placed on record by the domestic industry shows production and sale of R-S TiO2 by TTPL.
xx) Rutile-Sulphate TiO2 and Rutile-Chloride TiO2 are interchangeable and constitutes like article in terms of Rule 2(d) of the AD Rules, 1995.

R. RECOMMENDATIONS

231. The Authority notes that the investigation was initiated and notified to all the interested parties and adequate opportunity was given to them to provide information on the aspect of injury, causal link, and impact of measures. Having initiated and conducted the investigation in terms of the provisions of anti-dumping investigations as laid down under the Anti-dumping Duty Rules, the Authority has reached a conclusion that the duty should be imposed on subject goods. Accordingly, the Authority recommends imposition of anti-dumping duties on imports of the product under consideration.

232. Further, having regard to the conclusion reached with regard to imports of the product under consideration under HS Codes- 28230010, 32061110 and 32061190, the Authority recommends collection of anti-dumping duties on imports of the product under consideration, falling under this code.

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

DUTY TABLE

SN	Heading/ sub-heading	Description of goods	Country of origin	Country of export	Producer	Amount	Unit of measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	28230010, 32061110, and 32061190 *	Titanium Dioxide**	China PR	Any country including China PR	Anhui Gold Star Titanium Dioxide (Group) Co., Ltd.	609	MT	USD
					Anhui Gold Star Titanium Dioxide Trading Co., Ltd.			
2.	-do-	-do-	China PR	Any country including China PR	Shandong Jinhai Titanium Resources Technology Co., Ltd.	563	MT	USD
					Shandong Xianghai Titanium Co., Ltd.			

3.	-do-	-do-	China PR	Any country including China PR	LB Xiangyang Titanium Industry Co Ltd., and LB Sichuan Titanium Industry Co., Ltd. LB Lufeng Titanium Industry Co., Ltd. LB Group Co., Ltd. Henan Billions Advanced Material Co., Ltd.	460	MT	USD
4.	-do-	-do-	China PR	Any country includi ng China PR	****Non-Sampled Cooperative Producers	510	MT	USD
5.	-do-	-do-	China PR	Any country other than subject country	Any producer other than SN 1, 2, 3, & 4	681	MT	USD
6.	-do-	-do-	Any country other than subject country	China PR	Any	681	MT	USD

**Note 1- Customs classification is only indicative, and the determination of anti-dumping duty shall be made as per the description of the PUC.*

**Note 2- The application of the individual duty rates specified for the producers mentioned in the above shall be conditional upon presentation to customs authorities of a valid commercial invoice, on which shall appear a declaration dated and signed by* *an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows:*

"I, the undersigned, certify that the (volume) of (product concerned) sold for export to the India covered by this invoice was manufactured by (producer name and address) in [subject country]. I declare that the information provided in this invoice is complete and correct."

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

******Excluding the following:***

S. No.	**Product excluded**	**Description of the excluded product and details**
1	Food	TiO2 used in food additives like food colouring
2	Pharma	TiO2 used as ingredient in tablet film coatings
3	Skin-care	TiO2 is used in cosmetics and sunscreen lotions for UV-absorbing and photocatalyst applications
4	Textile	TiO2 used in production of textile/fibre. TiO2 which is used in the production of textiles and fibres largely because of its photo-catalytic self-cleaning, UV-protection and delustering abilities, etc. is excluded from the scope of product under consideration. However, such exclusion does not extend to the TiO2 that is used as a pigment for printing over the textile/garment/cloth/fabric.
5	Fibre	TiO2 is used for delustering the artificial fibre and this fibre is used to produce the textiles. Fibre grade materials are used to blend with fibre threads to make the cloth itself. TiO2 Rutile grade for making décor paper (used at fibre/pulp stage).
6	Nano or ultrafine	Nano or ultrafine titanium dioxide having particle size below 100 nm used in textile/paint industry to offer characteristics such as dust free textile/paint.

*****Non-Sampled Cooperative Producers*

1. *Yibin Tianyuan Haifeng Hetai – Co, Ltd.*
2. *Chongqing Titanium Industry Co. Ltd. of Pangang Group*
3. *Pangang Group Titanium Industry Co. Ltd.*
4. *Jiangxi Tikon Titanium Products Co. Ltd. (A Tronox Company)*

5. *Kunming Donghao Titanium Co. Ltd.*
6. *Inter-China Chemical Co. Ltd.*
7. *Anhui Annada Titanium Industry Co. Ltd.*
8. *Shandong Doguide Group Co. Ltd.*
9. *Qiangjiang Fangyuan Titanium Industry Co. Ltd.*
10. *Jinan Yuxing Chemical Co. Ltd.*
11. *Ningbo Xinfu Titanium Dioxide Co. Ltd.*
12. *Shandong Dawn Titanium Industry Co. Ltd.*

234. The landed value of imports for the purpose of this notification shall be assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under Sections 3, 8B, 9, 9A of the said Act.

S. FURTHER PROCEDURE

235. An appeal against the order of the Authority arising out of this final finding shall lie before the Customs Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Customs Tariff Act.

Amitabh Kumar
(Designated Authority)