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F. No. 6/52/2026-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

SETU Case ID – AD/OI/052/2026

INITIATION NOTIFICATION

Subject: Initiation of an anti-dumping investigation concerning imports of Caprolactam originating in or exported from China PR, Russia, Thailand and United States of America.

F. No. 6/52/2026-DGTR: Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the "Act") and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 as amended from time to time (hereinafter referred to as the "Rules" or the "Anti-dumping Rules"), Gujarat State Fertilizers & Chemicals Limited (hereinafter also referred to as the "applicant") has filed an application before the Designated Authority (hereinafter referred to as the "Authority"), for initiation of an anti-dumping investigation concerning imports of "**Caprolactam**" (hereinafter referred to as "subject goods" or "product under consideration" or "PUC").

1. The applicant has alleged that dumped imports of the subject goods from the subject countries are causing material injury to the domestic industry and has requested the imposition of anti-dumping duty on the imports of the subject goods from the subject countries.

A. PRODUCT UNDER CONSIDERATION

2. The product under consideration in the present investigation is "Caprolactam", also known as 6-Hexanelactam, having CAS Registry Number 105-60-2.
3. Caprolactam is a monomer and a base material for the production of Nylon-6 chips, which are further processed into yarn and then fabric. Caprolactam is produced and sold in both liquid and solid forms. The liquid form can be used only by consumers located very close to the source of the material, and consumers in India mainly use the solid form, which is in white crystal or flake form. Except for the difference in physical form, there is no material difference between the solid and liquid forms.

4. The product under consideration is majorly used in the manufacture of Nylon-6, which is further used in making Nylon Tyre Cord Fabric and Nylon Filament Yarn. The product also has a small usage in engineering resins and films.
5. The prescribed unit of measurement for the product under consideration is Metric Tonnes (MT).
6. The product under consideration is classified under Chapter 29 of the First Schedule to the Customs Tariff Act, 1975, under tariff item 2933 71 00, which is a dedicated tariff item for the product. The customs classification is indicative only and not binding on the scope of the product under consideration.
7. The parties to the present investigation may provide their comments on the scope of the PUC and propose a PCN methodology, if any, within 15 days from the date of initiation of this investigation.

B. LIKE ARTICLE

8. The applicant has stated that there are no significant differences in the article produced by the applicant and exported from the subject countries. The article produced by the applicant and that imported from the subject countries are comparable in terms of physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification of the subject goods. The subject goods and the article manufactured by the applicant are technically and commercially substitutable. The applicant has claimed that the consumers of the product under consideration are using the subject goods and the article manufactured by the applicant interchangeably. Thus, for the purposes of initiation of the present investigation, the article produced by the applicant has been prima facie considered as like article to the product being imported from the subject countries.

C. SUBJECT COUNTRIES

9. The subject countries in the present investigation are China PR, Russia, Thailand and United States of America.

D. PERIOD OF INVESTIGATION (POI)

10. The Authority has considered the period from 1st April 2025 to 31st March 2026 (12 months) as the period of investigation (POI) for the present investigation (hereinafter referred to as "POI"). The injury investigation period shall cover the period of 1st April 2022 to 31st March 2023, 1st April 2023 to 31st March 2024, 1st April 2024 to 31st March 2025 and the period of investigation.

E. DOMESTIC INDUSTRY AND STANDING

11. Rule 2(b) defines domestic industry as follows:
"domestic industry" means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those

whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term domestic industry may be construed as referring to the rest of the producers"

12. The application has been filed by Gujarat State Fertilizers & Chemicals Limited. The applicant has submitted that it has not imported the subject goods from the subject countries and is not related to any producer or exporter of the subject goods in the subject countries or to any importer of the subject goods in India.
13. The applicant has submitted that, apart from the applicant, there is only one other producer of the like article in India, namely The Fertilisers and Chemicals Travancore Limited (FACT). The applicant has submitted that FACT had shut down its operations in 2012, resumed production during 2022-23 and 2023-24, and ceased production again in 2024-25 on account of the presence of low-priced dumped imports, and remained shut throughout the period of investigation. FACT did not manufacture the product under consideration during the period of investigation.
14. Based on the information on record, it is seen that the applicant is the only Indian producer that manufactured the product under consideration during the period of investigation and accounts for 100% of the Indian production of the product under consideration during the period of investigation. The Authority considers that the applicant constitutes an eligible domestic industry within the meaning of Rule 2(b) of the Anti-Dumping Rules and the application satisfies the requirements of Rule 5(3) of the Anti-Dumping Rules.

F. BASIS OF ALLEGED DUMPING

Normal Value for China PR

15. The applicant has claimed that China PR should be treated as a non-market economy and that the Chinese producers should be directed to demonstrate that market economy conditions prevail in the industry producing the subject goods in terms of Para 8(3) of Annexure I of the Anti-Dumping Rules. The applicant has claimed that, unless such conditions are shown to prevail, the normal value for China PR should be determined in accordance with Para 7 and 8 of Annexure I of the Anti-Dumping Rules.
16. The applicant has submitted that efforts were made to determine normal value on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India. However, the applicant could not get reliable information regarding the price or cost in a market economy third country. The applicant has further submitted that imports into India from countries other than the subject countries are themselves at dumped prices and cannot be used as a basis for normal value. Therefore, the normal value for China PR has been determined on the

basis of the price actually paid or payable in India for the like product, duly adjusted to include a reasonable profit margin. The same has been considered for the purpose of initiation of the investigation.

Normal Value for Russia, Thailand and United States of America

17. The applicant has submitted that it does not have access to any information on the domestic selling price of the subject goods in Russia, Thailand and United States of America. The applicant has, therefore, determined the normal value on the basis of the export price of the subject goods from the respective subject countries to countries other than India. For Russia, the normal value has been determined on the basis of mirror import data published by Trade Map reflecting imports into other countries originating from Russia. For Thailand and United States of America, the normal value has been determined on the basis of the total exports from these countries to countries other than India, as reported on FOB basis. Appropriate adjustments have been made to arrive at the ex-factory price.
18. The normal value so determined for Russia, Thailand and United States of America in terms of Section 9A(1)(c)(ii) of the Act has been considered for the purpose of initiation of the investigation. The applicant has provided sufficient *prima facie* evidence with regard to the normal value of the subject goods in the subject countries.

Export Price

19. The export price of the subject goods from the subject countries has been determined on the basis of DGCI&S import data. Adjustments on account of ocean freight, marine insurance, port handling charges, commission, credit cost and inventory carrying cost have been made to arrive at the ex-factory export price.

Dumping Margin

20. The normal value and the export price have been compared at ex-factory level, which *prima facie* shows that the dumping margin is above the *de minimis* level and is significant with respect to the product under consideration exported from each of the subject countries. Thus, there is *prima facie* evidence that the product under consideration from the subject countries is being dumped in the Indian market by the exporters from the subject countries.

G. EVIDENCE OF INJURY AND CAUSAL LINK

21. The applicant has provided *prima facie* evidence with respect to the injury suffered by the domestic industry due to the dumped imports. It is seen that the volume of subject imports has increased significantly in absolute terms and in relation to production and consumption in India over the injury period, despite a decline in demand. The landed price of the subject imports is below the selling price of the applicant, resulting in price undercutting during the period of investigation. The production and domestic sales of the applicant have declined during the period of investigation, and the market share of the subject imports has increased over the injury period. The profitability, cash profits and

return on capital employed of the applicant remain well below reasonable levels and have deteriorated during the period of investigation.

22. From the foregoing, the Authority *prima facie* finds sufficient evidence of dumping of the subject goods originating in or exported from the subject countries, injury to the domestic industry and causal link between the alleged dumping and injury to justify initiation of an anti-dumping investigation in terms of Rule 5 of the Rules, to determine the existence, degree, and effect of alleged dumping and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

H. INITIATION OF ANTI-DUMPING INVESTIGATION

23. On the basis of the duly substantiated written application submitted by the applicant and having reached satisfaction based on the *prima facie* evidence submitted by the applicant concerning the dumping of the product under consideration originating in or exported from the subject countries, the consequential injury to the domestic industry as a result of the alleged dumping of the product under consideration and the causal link between such injury and the dumped imports, and in accordance with Section 9A of the Act read with Rule 5 of the Anti-Dumping Rules, the Authority hereby initiates an anti-dumping investigation to determine the existence, degree, and effect of the dumping with respect to the product under consideration originating in or exported from the subject countries and to recommend the appropriate amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

I. PROCEDURE

24. The provisions stipulated in Rule 6 of the Anti-Dumping Rules shall be followed in this investigation.

J. SUBMISSION OF INFORMATION

25. All the interested parties are required to register themselves on SETU Portal (<https://setu.dgtr.gov.in>). All communications and submissions from the interested parties shall be uploaded on the SETU portal under their registered name and corresponding SETU Case ID No. AD/OI/052/2026. It should be ensured that the narrative part of the submission is in searchable PDF/MS-Word format and data files are in MS-Excel format.
26. The known producers/exporters in the subject countries, the governments of the subject countries through their Embassies in India, and the importers and users in India who are known to be associated with the product under consideration are being informed separately to enable them to file all the relevant information within the time limits mentioned in this initiation notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority.

27. Any other interested party may also make a submission relevant to the present investigation in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority within the time limits mentioned in this initiation notification.
28. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
29. The interested parties are further advised to keep a regular watch on the official website of the Directorate General of Trade Remedies at www.dgtr.gov.in and SETU portal (<https://setu.dgtr.gov.in>) for any updated information with respect to this investigation. Interested parties are directed to regularly visit the website of DGTR (<https://www.dgtr.gov.in/>) to stay apprised with the further developments in the subject investigation and remain informed regarding notices that may be issued from time to time regarding questionnaire formats, PCN methodology, PCN discussion/meeting schedule, notice of oral hearing, corrigendum, amendment notifications, and other such information.

K. TIME LIMIT

30. Any information relating to the present investigation should be uploaded on the SETU portal (<https://setu.dgtr.gov.in>) under their registered name and corresponding case ID – AD/OI/052/2026.
31. Both versions of each submission, the confidential version (CV) and the non-confidential version (NCV), must be uploaded in the respective designated columns within 37 days from the date on which the non-confidential version of the application filed by the domestic industry would be circulated by the Authority in SETU or transmitted to the appropriate diplomatic representatives of the exporting countries as per Rule 6(4) of the Anti-Dumping Rules, 1995. If no information is received within the stipulated time limit or the information received is incomplete, the Authority may record its findings based on the facts available on record and in accordance with the Anti-Dumping Rules, 1995.
32. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit as stipulated in this notification through SETU portal only.
33. The 15-day period to file comments on the scope of the PUC/PCN methodology shall run concurrently with the time limit mentioned in this Initiation Notification.
34. Extension due to modification of PUC/PCN: An extension of time by 15 days shall be granted if the Authority, through a subsequent notice, modifies the PUC, and PCN that was not previously proposed or is different from the initiation notification. This extension of 15 days shall be granted from the date of such notification of modified PUC and PCN. Extension of time by 15 days stated in this paragraph is not applicable in instances where

there is no change in the PUC and PCN methodology after initiation of investigation. Requests for a further extension of time, beyond the 15-day extension (if granted), will ordinarily not be considered except in case of exceptional circumstances, in line with Rule 6(4) of the Anti-Dumping Rules.

35. Any request for an extension must be submitted by the concerned parties through the SETU portal at least one day before the original deadline specified above. Requests submitted after this time will not be considered.

L. SUBMISSION OF INFORMATION ON CONFIDENTIAL BASIS

36. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, such party is required to simultaneously submit a non-confidential version of such information in terms of Rule 7(2) of the Rules and in accordance with the relevant trade notices issued by the Authority in this regard. Failure to adhere to the above may lead to rejection of the response/submissions.
37. The parties making any submission (including Appendices/Annexures attached thereto) before the Authority, including questionnaire responses, are required to file confidential and non-confidential versions separately.
38. Such submissions must be clearly marked as 'confidential' or 'non-confidential' at the top of each page. Any submission that has been made to the Authority without such markings shall be treated as 'non-confidential' information by the Authority, and the Authority shall be at liberty to allow other interested parties to inspect such submissions.
39. The confidential version shall contain all information which is, by nature, confidential, and/or other information, which the supplier of such information claims as confidential. For the information which is claimed to be confidential by nature, or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
40. The non-confidential version of the information filed by the interested parties is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (where indexation is not possible) and such information must be appropriately and adequately summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on a confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons containing a sufficient and adequate explanation as to why such summarization is not possible must be provided to the satisfaction of the Authority.

41. The interested parties can offer their comments on the issues of confidentiality within 7 days from the date of circulation of the non-confidential version of the documents.
42. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
43. Any submission made without a meaningful non-confidential version thereof or a sufficient and adequate cause statement in terms of Rule 7 of the Rules, and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.

M. INSPECTION OF PUBLIC FILE

44. All non-confidential versions of submissions made by any interested party will be accessible to other interested parties through their respective login on the SETU portal.

N. NON-COOPERATION

45. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority in this initiation notification, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings based on the facts available and make such recommendations to the Central Government as it deems fit.

**Digitally signed by
Amitabh Kumar
Date: 29-09-2026
18:45:54
(Amitabh Kumar)
Designated Authority**