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F. No. 7/03/2026-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
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Dated: 18.09.2026

Final Findings
Case No. AD (AA)-02/2026

Subject: Anti-absorption review investigation of the anti-dumping duty imposed on imports of "Insoluble Sulphur" originating in or exported from China PR.

F. No. 7/03/2026-DGTR: Having regard to the Customs Tariff Act 1975, as amended from time to time (hereinafter referred as the "Act" or "CTA") and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter referred as the "AD Rules").

A. BACKGROUND OF THE CASE

2. OCCL Limited (hereinafter also referred to as the "applicant" or "domestic industry") has filed an application before the Designated Authority (hereinafter referred to as the "Authority") alleging absorption of anti-dumping duty imposed on imports of 'Insoluble Sulphur' (hereinafter also referred to as the "subject goods" or the "product under consideration" or "PUC") originating in or exported from China PR (hereinafter also referred to as the "subject country").

3. The original anti-dumping investigation concerning imports of the subject goods from China PR and Japan was initiated vide Notification No. 6/01/2024-DGTR dated 27th March 2024. Pursuant to the investigation, the Authority, through its final findings issued vide F. No. 06/01/2024-DGTR dated 7th March 2025, recommended the imposition of anti-dumping duties on imports of the subject goods originating in or exported from China PR and Japan for a period of five years. The Ministry of Finance implemented the recommended duties vide Notification

No. 13/2025-Customs (ADD) dated 6th June 2025. The table below summarises the anti-dumping duties in force at present:

S. No.	Country of Origin	Country of Export	Producer	Amount (USD/MT)
1	China PR	Any country including China PR	Any	307
2	Any country other than China PR and Japan	China PR	Any	307
3	Japan	Japan	Shikoku Chemicals Corporation	259
4	Japan	Any country including Japan	Any producer other than at S. No. 3	358
5	Any country other than Japan and China PR	Japan	Any	358

4. In terms of Section 9A(1B) of the Customs Tariff Act and Rule 29(2) of the AD Rules, where an article subject to anti-dumping duty is imported into India at such price or under such condition which is considered as absorption of the existing anti-dumping duty, and such duty is thereby rendered or may be rendered ineffective, the Authority may, after conducting a review, recommend modification in the form or basis of the anti-dumping duty and/or the quantum of anti-dumping duty or both, after reassessing the dumping margin and injury margin. In accordance with the same, the Authority is required to review, based on an application made with sufficient evidence by or on behalf of the domestic industry or any other interested party, as to whether the existing anti-dumping duty is thereby or may be rendered ineffective because of absorption of duty.

5. On the basis of the duly substantiated written application submitted by the applicant, and having satisfied itself on the basis of the prima facie evidence submitted by the applicant concerning absorption of the anti-dumping duty imposed on the exports from China PR, the Authority initiated an anti-absorption review investigation vide Notification No. 7/03/2026-DGTR dated 20th March 2026 to determine the existence and effect of absorption of the anti-

dumping duty on exports of the product under consideration from China PR and to recommend modification of the quantum or form of the anti-dumping duty, in accordance with Section 9A(1B) of the Customs Tariff Act and Rule 30 of the AD Rules. The investigation was initiated only in respect of exports of the PUC from China PR.

B. PROCEDURE

6. The procedure described hereinbelow has been followed in the investigation:

   a. The Authority, vide Notification No. 7/03/2026-DGTR dated 20th March 2026, published a public notice in the Gazette of India, Extraordinary, initiating an anti-absorption review investigation in respect of imports of the subject goods from China PR.

   b. In accordance with Rule 30(4) of the AD Rules, the Embassy of China PR in India was notified before proceeding to initiate the anti-absorption investigation.

   c. In accordance with Rule 6(2) of the AD Rules, a copy of the public notice was forwarded by the Authority to the Embassy of China PR in India, known producers and exporters from the subject country, known importers/users in India and other interested parties. The intimation of initiation, along with the prescribed questionnaires, was issued to the interested parties on 25th March 2026, prescribing a period of 37 days for filing of questionnaire responses.

   d. In accordance with Rule 6(3) of the AD Rules, the Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Government of China PR through its Embassy in India, and to the other interested parties who made a request in writing.

   e. The Authority forwarded a copy of the public notice initiating the anti-absorption investigation to the known producers/exporters in the subject country and other interested parties, and provided them an opportunity to file responses to the questionnaires in the form and manner prescribed within the prescribed time limit and to make their views known in writing. In response, none of the producers/exporters from the subject country has filed a questionnaire response.

   f. The Authority sent questionnaires to the following known importers/users of the subject goods in India, calling for necessary information in accordance with Rule 6(4) of the AD Rules:

      i. CEAT Ltd.

ii. MRF Limited

iii. Oriental Rubber Industries Private Limited

iv. Merchem Ltd.

v. Pukhraj Engg. and Chemicals Pvt. Ltd.

vi. Balkrishna Industries Limited

vii. Apollo Tyres Limited

viii. Forech India Private Limited

ix. MRL Tyres Limited

x. Speedways Rubber Company

xi. Welman India Private Limited

xii. Mahansaria Tyres Private Limited

xiii. ATC Tires Private Limited

xiv. Bridgestone India Private Limited

xv. JK Tyre Industries Limited

xvi. General Rubbers

xvii. Spectra Chemicals

xviii. Cavendish Industries Limited

xix. Lanxess India Pvt. Ltd.

xx. Yokohama India Pvt. Ltd.

xxi. Ralson Tyres Limited

xxii. Midas Rubber Private Limited

g. The Economic Interest Questionnaire was also issued to the interested parties.

h. Requests for extension of time for filing questionnaire responses were made on behalf of MRF Limited ("MRF"), an importer/user of the subject goods, and the Automotive Tyre Manufacturers' Association ("ATMA"), a user association, which were considered by the Authority. MRF thereafter filed its User Questionnaire Response and Economic Interest Questionnaire Response. No questionnaire response was filed by ATMA.

i. Transaction-wise imports data for the absorption period and the period of investigation of the original investigation was procured from DG Systems. The Authority has relied upon the DG Systems data for computing the volume and value of imports of the subject goods into India and for comparison and reconciliation with the responses filed by the interested parties.

j. In the initiation notification, the Authority recommended provisional assessment of all imports of the product under consideration till the completion of this review, in accordance with Rule 30(5) of the AD Rules. The Central Government has, vide Notification No. 13/2026-Customs (ADD) dated 3rd July 2026, ordered that, pending the outcome of the present review, imports of the subject goods from China PR attracting anti-dumping duty under Notification No. 13/2025-Customs (ADD) dated 6th June 2025 shall be subjected to provisional assessment till a decision under Rule 31(3) of the AD Rules is taken by the Central Government, subject to furnishing of such guarantee as the proper officer of customs deems fit for payment of the differential anti-dumping duty, if any, that may become payable.

k. All the interested parties were requested to upload the non-confidential versions (NCV) of their submissions/responses/comments filed by them on the SETU portal for access by all other interested parties.

l. In accordance with Rule 6(6) of the AD Rules, the Authority provided an opportunity to the interested parties to present their views orally in a public hearing. The oral hearing was notified vide notice dated 29th July 2026 and was held on 4th August 2026 in hybrid mode. The parties which presented their views in the oral hearing were requested to file written submissions of the views expressed orally by 10th August 2026, followed by rejoinder submissions, if any, by 17th August 2026. Post oral hearing written submissions and rejoinder submissions were filed by the applicant and by ATMA/MRF.

m. The submissions made by the interested parties, the arguments raised and the information provided by the interested parties during the course of the investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority in this Final Findings.

n. The Authority, during the course of the investigation, satisfied itself as to the accuracy of the information supplied by the interested parties and verified the data/documents submitted by the interested parties to the extent considered relevant and necessary, which forms the basis of this Final Findings .

o. The information provided by the interested parties on a confidential basis was examined with regard to the sufficiency of the confidentiality claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered confidential and not disclosed to the other interested parties. Wherever possible, parties providing information on a confidential basis were directed to provide a sufficient non-confidential version of the information filed on a confidential basis.

p. 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 party as non-cooperative and recorded this Final Findings on the basis of the facts available.

q. The period of investigation (POI), i.e., the absorption period, for the purpose of the present investigation is 1st July 2025 to 31st December 2025 (six months). The Authority has compared the prices in the absorption period with the prices in the period of investigation of the original investigation, i.e., 1st January 2023 to 31st December 2023.

r. The Authority circulated the disclosure statement containing all essential facts under consideration for making the final recommendations to the Central Government to all interested parties on 14th September 2026. The Authority has examined all the post disclosure comments made by the interested parties in these final findings to the extent deemed relevant. Any submission which was merely a reproduction of the previous submission, and which had been adequately examined by the Authority has not been repeated for the sake of brevity.

s. '***' in this Final Findings represents information furnished by an interested party on confidential basis and so considered by the Authority under Rule 7 of the AD Rules.

t. The exchange rate adopted by the Authority for the subject investigation is 1 US$ = Rs. 88.65, being the average of the exchange rates notified by the Central Board of Indirect Taxes and Customs under Section 14 of the Customs Act, 1962 for conversion of the value of imported goods, in force during the POI. The same rate has been applied throughout this disclosure statement (source: https://foservices.icegate.gov.in/#/services/view).

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Submissions of the other interested parties

7. The following submissions have been made by the other interested parties in this regard:

a. The other interested parties submitted that they had made detailed submissions during the original anti-dumping investigation seeking exclusion of certain grades from the scope of the product under consideration. Although the Authority did not accept those submissions in the original investigation, the other interested parties continue to maintain that the domestic industry is not capable of producing certain superior grades of Insoluble Sulphur, and requested reconsideration of their earlier submissions.

C.2 Submissions of the domestic industry

8. The following submissions have been made by the domestic industry in this regard:

a. The applicant submitted that the scope of the product under consideration in the present anti-absorption investigation remains the same as that defined in the original anti-dumping investigation.

C.3 Examination by the Authority

9. As the present investigation is an anti-absorption review of the anti-dumping duty in force, the scope of the product under consideration remains the same as defined in the original investigation. Insoluble Sulphur, by definition, is a polymeric sulphur which is insoluble in carbon disulphide (CS2). Insoluble Sulphur is generally used as a vulcanization agent in some rubber applications in order to resist the blooming phenomenon, which is detrimental to rubber compound.

10. The product under consideration is classifiable under tariff items 2802 00 10 and 3812 39 30 of the First Schedule to the Customs Tariff Act. The product under consideration is also imported under tariff item 3824 99 00. However, Customs classifications are indicative only and are in no way binding for defining the product scope.

11. As held in the original investigation, there are no known significant differences between the subject goods produced by the applicant and those exported from the subject country, and the two are used interchangeably. For the purpose of the present review, the subject goods produced by the domestic industry are treated as like article to the subject goods imported from the subject country.

12. The Authority has examined the submissions of the other interested parties seeking reconsideration of the exclusion of certain grades from the scope of the product under consideration. The Authority notes that the present investigation has been initiated under Rule 30 of the AD Rules, the scope of which is confined to examining whether there has been any

absorption of anti-dumping duty following its imposition. Accordingly, the investigation is limited to assessing the existence and extent of duty absorption, if any, and does not extend to matters beyond the ambit of Rule 30. The Authority, therefore, concludes to retain the same scope of the PUC as determined in the original investigation.

D. SCOPE OF THE REVIEW AND STANDING OF THE APPLICANT

D.1 Submissions of the other interested parties

13. No submissions have been made by the other interested parties with regard to the scope of the present review or the standing of the applicant.

D.2 Submissions of the domestic industry

14. The following submissions have been made by the domestic industry in this regard:

    a. The applicant submitted that it is the sole producer of the product under consideration in India and accounts for 100% of the domestic production of the subject goods. It was further submitted that it has neither imported the subject goods nor is it related to any exporter of the subject goods in the subject country or any importer of the subject goods in India. It was also submitted that the application was filed within two years from the date of imposition of the definitive duties in the original investigation and is therefore within the timeline prescribed under Rule 29(3) of the AD Rules.

D.3 Examination by the Authority

15. The present anti-absorption review is in respect of imports of the product under consideration from China PR only.

16. The Authority notes that, in the original investigation, it was concluded that the applicant is the sole producer of the product under consideration, constituting 100% of the total Indian production, and that the applicant constitutes the domestic industry within the meaning of Rule 2(b) of the AD Rules and satisfies the criteria of standing in terms of Rule 5(3) of the AD Rules. No submission has been made by any interested party disputing the standing of the applicant, and nothing has been placed on record in the present review which alters that position. The Authority, accordingly, holds that the applicant constitutes the domestic industry and that the application has been validly filed in terms of Rule 29 of the AD Rules.

E. SCOPE OF THE ANTI-ABSORPTION REVIEW – WHETHER A FRESH DETERMINATION OF INJURY AND CAUSAL LINK IS REQUIRED

E.1 Submissions of the other interested parties

17. The following submissions have been made by the other interested parties in this regard:

a. The other interested parties submitted that modification of an anti-dumping duty under Section 9A(1B) of the CTA is permissible only where absorption has rendered the existing duty ineffective, and that such a determination necessarily requires an examination of injury and causation.

b. It was submitted that under Article 18.1 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 ("ADA"), no specific action against dumping can be taken except in accordance with the provisions of GATT 1994 as interpreted by the ADA, and that any such action may be taken only when the constituent elements of dumping, which include injury and causal link, are present. Reliance was also placed on Article 18.4 of the ADA, which requires each Member to ensure the conformity of its laws, regulations and administrative procedures with the provisions of the ADA. It was submitted that an anti-absorption review finds no mention in the ADA and that a provision introduced in municipal law cannot contravene the fundamental tenets of the WTO framework.

c. It was submitted that the ambiguity in Section 9A(1B) of the CTA must be interpreted to include the requirement of injury and causality analysis, and that any other interpretation would imply that Section 9A(1B) directly contravenes the requirements of the ADA, which is not permissible as per the ratio of the judgment of the Hon'ble Supreme Court in Commissioner of Customs, Bangalore v. G.M. Exports and Ors. It was further submitted that it is an accepted constitutional principle that subordinate legislation cannot be in violation of the statute which has created it, and that the rules framed under Section 9A(1B) of the CTA cannot be in violation of the requirements to be read into that provision.

d. It was submitted that it is a settled principle that every recommendation of imposition of duty must be based on the established existence of dumping, injury and causal link, and that the modification and enhancement of an existing duty must likewise be informed by a comprehensive and objective analysis of these factors. It was submitted that reviews under Article 11.2 of the ADA also envisage this requirement, and that the Authority has, in sunset reviews conducted under the said provision, carried out an assessment of injury and causal link.

e. The other interested parties submitted that the domestic industry's reliance on "subsequent and consistent state practice" is misplaced, as the existence of anti-absorption provisions in only three countries besides India, namely the EU, Turkey and the UK, cannot satisfy the threshold required to establish subsequent state practice under the customary rules of treaty interpretation.

f. The other interested parties also submitted that the Authority is not bound by the practices or precedents of investigating authorities in other jurisdictions, and that the Authority has, in several investigations, declined to follow the approaches of foreign authorities. Therefore, the EU's conduct of anti-absorption reviews cannot, by itself, bind or govern the Authority's approach in the present investigation.

E.2 Submissions of the domestic industry

18. The following submissions have been made by the domestic industry in this regard:

a. The applicant submitted that the anti-absorption review mechanism is fully consistent with the WTO framework and derives legitimacy from the review powers recognised under Article 11.2 of the ADA, and that the absence of an explicit reference to anti-absorption in the ADA does not imply that such reviews are impermissible.

b. It was submitted that anti-absorption is not a separate trade remedy measure but a review mechanism intended to preserve the effectiveness of an anti-dumping duty already imposed following a finding of dumping, injury and causal link. It was further submitted that the European Union has expressly recognised before the WTO that anti-absorption proceedings are a form of review under Article 11.2 of the ADA intended to reassess export prices where the effectiveness of an anti-dumping measure has been undermined.

c. It was submitted that the scope of any review proceeding is determined by the specific issue that the review is intended to address, and that different review mechanisms serve distinct objectives and consequently do not require a re-examination of all elements assessed in the original investigation. While a sunset review examines the likelihood of continuation or recurrence of dumping and injury, a new shipper review is confined to determining an exporter-specific dumping margin, and a product-scope mid-term review is limited to examining the appropriate coverage of the measure. In support of this contention, the applicant relied upon various decisions and prior investigations pertaining to sunset reviews, mid-term reviews and new shipper reviews.

d. It was submitted that the inquiry in an anti-absorption review is confined to examining post-duty pricing behaviour and reassessing the relevant export price and margins to determine whether the remedial effect of the duty has been undermined or absorbed, and that a fresh determination of injury and causal link would impermissibly convert the review into a de novo investigation.

e. It was submitted that Rule 29(3) of the AD Rules, which requires an anti-absorption application ordinarily to be filed within two years of imposition of the definitive duty and not ordinarily where less than twelve months remain before expiry, confirms that anti-absorption reviews are intended to address post-duty developments proximate to the original investigation and are not meant to reopen the original injury and causal link findings.

f. The applicant relied on the legislative frameworks and practices of the EU, the UK, Turkey and India to submit that anti-absorption reviews are generally confined to examining absorption and reassessing export prices and margins, without requiring a fresh determination of injury or causal link. In this regard, the applicant relied upon the anti-absorption review investigations earlier conducted by the Authority concerning Polyethylene Terephthalate (PET) Resin and Untreated Fumed Silica, as well as the anti-absorption practice of the European Commission.

g. It was submitted that Section 9A(1B) of the CTA and the AD Rules must be read together, as the Rules provide the detailed procedural and operational framework for implementing the parent provision, and that the absence of detailed requirements in Section 9A(1B) cannot justify disregarding the Rules framed thereunder. Therefore, there is no legal basis to import a fresh injury and causal link determination into an anti-absorption review contrary to Rule 30(6).

E.3 Examination by the Authority

19. The Authority notes that Rule 30(6) of the AD Rules expressly stipulates that the scope of an anti-absorption review is confined to the re-determination of the dumping margin and the injury margin. The Rule does not envisage a fresh examination of injury and causal link in the manner undertaken during an original investigation. The language employed in Rule 30(6) is clear, specific and unambiguous in limiting the scope of the review to these aspects.

20. The Authority, therefore, finds no basis for the contention that an anti-absorption review requires a de novo assessment of dumping, injury and causal link as if it were a fresh original investigation. Such an interpretation would be contrary to the express scheme and purpose of Rule 30, which is designed to address the issue of duty absorption following the imposition of anti-dumping measures.

21. The Authority further notes that the anti-absorption framework is rooted in the concept of review proceedings contemplated under Article 11.2 of the ADA, which recognises the power of investigating authorities to review the continued necessity and effectiveness of anti-dumping duties after their imposition. This understanding is reflected in the legislative and administrative practice of jurisdictions that maintain anti-absorption provisions. In particular, the European Union treats anti-absorption proceedings as a review of an existing anti-dumping measure for the purpose of determining whether the duty has been absorbed and thereby rendered ineffective.

22. The Authority has also examined the submission that reviews conducted under Article 11.2 of the ADA, such as sunset reviews and mid-term reviews, involve examination of dumping, injury and causal link, and that a similar approach should therefore be adopted in anti-absorption reviews. The Authority does not find merit in this contention. Different review mechanisms under the ADA serve different objectives and consequently differ in scope, and each review is a distinct proceeding with a distinct purpose. Even in the context of sunset reviews, the examination is not identical to that undertaken in an original investigation. Likewise, the Authority's own practice in mid-term reviews is that where the review is confined to a specific issue, such as modification of product scope, a fresh examination of all the elements determined in the original investigation is not invariably required.

23. The foregoing reflects the principle that the scope of a review proceeding is determined by the issue that the review is intended to address. The contention that every review proceeding must invariably involve a fresh determination of dumping, injury and causal link is not supported either by the WTO framework or by the Authority's consistent practice.

24. The same principle applies with equal force to an anti-absorption review. The purpose of such a review is not to reassess whether dumped imports continue to cause injury to the domestic industry, nor to revisit the correctness of the original findings that formed the basis for the imposition of the anti-dumping duty. The specific issue under examination is whether exporters have, following the imposition of the anti-dumping duty, reduced export prices or otherwise altered their pricing behaviour in a manner that has absorbed or undermined the remedial effect

of the duty. Consequently, the investigation is confined to examining post-imposition pricing behaviour and re-computing the relevant margins required to restore the effectiveness of the existing measure.

25. The Authority has further considered the submission that subordinate legislation cannot be interpreted in a manner inconsistent with the parent statute and that Rules 29 to 31 of the AD Rules cannot derogate from Section 9A(1B) of the Customs Tariff Act. The Authority notes that Section 9A(1B) of the Customs Tariff Act creates the substantive power to address absorption of anti-dumping duties and contemplates the prescription of the detailed procedure and mechanism through delegated legislation. Accordingly, the scope, procedure and extent of an anti-absorption review have been prescribed under Rules 29 to 31 of the AD Rules. The interpretation advanced by the other interested parties would effectively require every procedural and operational aspect of the anti-absorption framework to be expressly incorporated in the parent statute itself, which is contrary to the very purpose of delegated legislation. The Authority, therefore, finds that Rule 30(6) gives effect to, and operates consistently with, the scheme and object of Section 9A(1B) of the Customs Tariff Act.

26. For the reasons recorded above, the Authority notes that an anti-absorption review does not require a fresh determination of injury and causal link.

F. PROCEDURAL ISSUES RELATING TO THE ORAL HEARING

F.1 Submissions of the other interested parties

27. The following submissions have been made by the other interested parties in this regard:

a. The other interested parties submitted that hybrid oral hearings are a pressing need in trade remedy investigations and are not merely a matter of procedural convenience but form a component of a fair and meaningful hearing in quasi-judicial proceedings. In this regard, reliance was placed on certain decisions of the Hon'ble Supreme Court and Hon'ble High Courts on the conduct of hearings in hybrid mode by quasi-judicial bodies.

b. It was submitted that the oral hearing was initially notified to be conducted virtually and was subsequently converted into a hybrid hearing with less than four hours' notice, thereby affecting the parties' ability to participate effectively in the proceedings, particularly as MRF is based in Chennai. The Authority was requested to reconvene the oral hearing in hybrid mode with adequate notice.

F.2 Submissions of the domestic industry

28. The following submissions have been made by the domestic industry in this regard:

    a. The applicant submitted that the oral hearing was duly notified in advance, that all parties, including the applicant, in fact participated through the virtual platform, and that no prejudice has been caused to any party by the communication extending the option of physical participation. It was submitted that the objection is devoid of factual and legal merit.

F.3 Examination by the Authority

29. The Authority notes that all the interested parties were duly informed, well in advance, of the date and time of the oral hearing scheduled for 4th August 2026. The hearing was initially notified to be conducted through virtual mode, thereby ensuring that all interested parties had a full and effective opportunity to participate in the proceedings irrespective of their location. The subsequent communication regarding the availability of the hybrid mode did not alter the scheduled hearing or curtail the opportunity already afforded to the parties; rather, it merely extended an additional option for those who wished to attend the hearing physically. The Authority, therefore, finds no substance in the contention that the subsequent communication of the hearing in hybrid mode in any manner impaired or curtailed the opportunity already available to the other interested parties to participate in the oral hearing.

30. The Authority further notes that the subsequent communication of the hybrid mode did not result in any adverse consequence to the other interested parties. No interested party attended the hearing physically, and all participating parties, including the applicant, joined the hearing through the virtual platform. Thus, all parties participated through the same mode and no procedural or substantive advantage was afforded to any party over another.

31. The Authority, therefore, finds that the contention that the later introduction of a hybrid mode caused prejudice is not borne out by the manner in which the hearing was conducted in practice. The other interested parties have not demonstrated how their participation through the virtual platform, or the communication regarding the availability of a hybrid format approximately four hours prior to the hearing, impaired their ability to present their case or otherwise caused any prejudice. In the absence of any evidence of actual prejudice or denial of an effective opportunity to be heard, the Authority finds no merit in the request for reconvening the oral hearing.

G. EXAMINATION OF ABSORPTION OF THE ANTI-DUMPING DUTY

G.1 Submissions of the other interested parties

32. The following submissions have been made by the other interested parties in this regard:

a. The other interested parties submitted that the domestic industry's claim of a decline in export prices following the imposition of the anti-dumping duty is inconsistent with the data available with the interested parties. It was submitted that the data furnished by MRF in its questionnaire response shows an increase in the export prices of the PUC of approximately 25%, which is commensurate with the increase warranted by the quantum of the anti-dumping duty originally levied on the PUC (USD 307/MT). It was submitted that this negates the assertion of absorption and shows that the domestic industry has been provided a level playing field.

b. It was submitted that there are material discrepancies between the data relied upon by the domestic industry and that available with the interested parties, and that, having regard to the requirement under Rule 8 of the AD Rules that the Authority satisfy itself as to the accuracy of the information supplied by the interested parties, the Authority should direct the domestic industry to disclose the import data relied upon for its claim of a decline in export prices, to enable verification and response.

c. It was contended that the increase in the domestic industry's cost of production cannot be transposed to the producers/exporters in China PR, as the two have different raw material sourcing bases. It was submitted that the domestic industry sources its Sulphur feedstock primarily from the Gulf, whereas Chinese producers/exporters have a more diversified sourcing base, including Japan and Canada, exposing them to different supply and pricing conditions.

d. It was further submitted that differences in the scale of operations and the economies of scale enjoyed by Chinese producers/exporters, who operate large-scale and integrated operations, also affect their raw material costs, and that an increase in raw material costs incurred by the domestic industry in India cannot be presumed to have been similarly experienced by the producers/exporters in the subject country.

e. It was also submitted that currency movements materially affected the respective costs, with the depreciation of the Indian Rupee, estimated at approximately 9.9%, increasing the domestic-currency cost of imported inputs, while the appreciation of the Chinese Yuan, estimated at approximately 3-4% during the period of absorption, enabled Chinese producers/exporters to procure inputs at reduced or stable costs.

f. It was submitted that the record of the present review does not contain any verifiable data on the costing and pricing dynamics of the producers/exporters of the subject country, and that the domestic industry's claims are based solely on its own data.

g. The other interested parties further submitted that the domestic industry has failed to establish that its alleged inability to recover increased raw material and utility costs is attributable to the subject imports. It was submitted that selling prices are influenced by several factors, including production efficiency, depreciation, interest costs, capital expenditure, demand conditions and the overall economic environment, and that this underscores the need for an injury and causality analysis.

G.2 Submissions of the domestic industry

33. The following submissions have been made by the domestic industry in this regard:

a. The applicant submitted that the evidence furnished in the application demonstrates that the Chinese exporters' CIF prices to India have declined significantly after the imposition of the duty, while raw material and utility costs have increased, showing that the Chinese exporters have absorbed the anti-dumping duty, thereby undermining its remedial effect. The applicant further submitted that the domestic industry was unable to increase its selling price commensurate with the increase in raw material and utility costs despite the imposition of the anti-dumping duty, and that the dumping margin and injury margin during the absorption period are significantly higher than the margins determined in the original investigation.

b. The applicant submitted that no exporter or producer from China PR participated either in the present review or in the original investigation, and that, consequently, the claims of the other interested parties regarding exporter pricing and costs lack direct evidentiary basis and are speculative.

c. The applicant submitted that the other interested parties have failed to substantiate any increase in the average import price during the POI. On the contrary, as per the applicant's market intelligence, MRF's import prices declined by approximately 30% during the absorption period. The applicant further submitted that the request for disclosure of the applicant's import data is legally impermissible, as such customs-related information is protected under Section 135AA of the Customs Act, 1962, and that, in any event, the investigation was initiated on the basis of, and the Authority relies upon, the transaction-wise import data of DG Systems and not the applicant's market intelligence.

d. The applicant submitted that the assertion that its Sulphur procurement is linked to the Gulf countries is factually incorrect, as the applicant procured 100% of its Sulphur requirements from domestic suppliers during the relevant period. It was further submitted that the other interested parties' own evidence contradicts their claim that Chinese producers are insulated from Gulf-region Sulphur prices through diversified sourcing, since China remained substantially dependent on Middle Eastern supplies, with the Gulf countries accounting for approximately 53% of its Sulphur imports during July-December 2025, while imports from Canada and Japan accounted for only about 12% and 6%, respectively.

e. The applicant submitted that the import data of Sulphur and the ICIS published prices demonstrate that Sulphur prices increased substantially in both India and China during the absorption period, and that Chinese producers were accordingly exposed to the same global increase in Sulphur prices.

f. The applicant submitted that the reliance on economies of scale is irrelevant, as such efficiencies existed during the original investigation as well, and despite the same the Chinese prices were at dumped levels; therefore, economies of scale, if any, do not explain the subsequent decline in export prices.

g. The applicant submitted that the reliance on the appreciation of the Chinese Yuan is factually incorrect and unsupported by producer-specific evidence. As per the exchange rate data relied upon by the applicant, the USD/CNY exchange rate moved from 7.07 Yuan/USD during the original investigation period to 7.125 Yuan/USD during the absorption period, reflecting a depreciation of approximately 0.78% rather than an appreciation, while actual Sulphur prices in China increased sharply during the absorption period.

G.3 Examination by the Authority

34. The Authority notes that no exporter or producer from the subject country has participated in the present review investigation. In the absence of exporter participation and exporter-specific information on record, the Authority has considered the transaction-wise import data obtained from DG Systems for examining export price movements during the absorption period. Based on its examination of the DG Systems data, the Authority notes that the export price of the product under consideration from the subject country to India has declined significantly during the absorption period as compared to the period of investigation of the original investigation, as reflected in the table below:

Particular	UOM	Original period	Absorption period	Change
Export price (ex-factory)	Rs/MT	92,373	76,369	(16,004)
Trend	Indexed	100	83	
Exchange rate	Rs/$	83.52	88.65	
Export price (ex-factory)	$/MT	1,106	861	(245)
Trend	Indexed	100	78	

Source: For the original POI, as determined in the final findings dated 7th March 2025 in the original investigation; for the absorption period, transaction-wise import data of DG Systems, duly adjusted to the ex-factory level.

35. The Authority notes that the export prices from the subject country have declined in both INR and USD terms.

36. With respect to the submission of the other interested parties that the import prices of MRF have in fact increased by approximately 25%, the Authority has examined the imports made by MRF on the basis of the transaction-wise import data procured from DG Systems and notes that the import prices of MRF have declined in the absorption period as compared to the period of investigation of the original investigation. The claim of the other interested parties in this regard is, therefore, not borne out by the import data on record.

37. The Authority has further examined the submission that the absence of an increase in export prices commensurate with the anti-dumping duty imposed negates the existence of absorption. The Authority does not find merit in this contention. In the present case, the export price at the ex-factory level declined by USD 245/MT during the absorption period, notwithstanding an increase of USD *** per MT in the raw material cost alone. The decline in prices, taken together with the increase in the cost of production, exceeds the quantum of the anti-dumping duty of USD 307/MT and has the effect of offsetting the remedial impact of the anti-dumping measure. The observed decline in export prices, therefore, constitutes a relevant factor supporting the examination of absorption in the present review

38. The applicant has submitted that the raw material and utility costs have increased whereas the import price has declined. The Authority has examined the data. The table below shows the change in raw material and utility cost between the original period and the absorption period:

Particulars	UOM	Original period	Absorption period	Change

Raw material	Rs/MT	***	***	***
Trend	Indexed	100	131	-
Utility	Rs/MT	***	***	***
Trend	Indexed	100	87	-
Total input cost	Rs/MT	***	***	***
Trend	Indexed	100	116	-
Exchange rate	Rs/$	83.52	88.65	-
Total of above	$/MT	***	***	***
Trend	Indexed	100	109	-

39. It is seen that the cost on account of raw material has increased in the absorption period in both INR and USD terms. The Authority, therefore, notes that the cost of production did not decline during the absorption period and, on the contrary, witnessed a significant increase. In a normal market environment, an increase in production costs would ordinarily be reflected in higher selling and export prices. In the present case, however, export prices declined despite an increase in the cost of production. This disconnect between the movement in the cost of production and the export price behaviour indicates that the reduction in export prices cannot be attributed to underlying cost factors, and that the exporters absorbed the anti-dumping duty by lowering their export prices.

40. The Authority notes that Sulphur is the major raw material for manufacturing the subject goods. The applicant has provided information on Sulphur imports into China as per Trade Map data. Based on the said information, the prices of Sulphur have increased during the absorption period as compared to the original period of investigation, whereas the landed price from China has declined over the said period:

Period	**Unit**	**Landed price**	**Sulphur global price**	**Raw material cost**
Jan'23 to Dec'23	US$/MT	1,281	127	***
July'25 to Dec'25	US$/MT	1,064	308	***
Change	US$/MT	(217)	181	***
Change	%	(17%)	142%	24%

Source: Sulphur global price as per imports into China as per Trade Map data; raw material cost as per domestic industry data

a. The landed price from China has declined by 17% or USD 217 per MT during the absorption period as compared to the original period of investigation.

41. With respect to the submissions of the other interested parties regarding the alleged absence of evidence concerning the cost of production of exporters in the subject country and the various explanations advanced to justify the decline in export prices, the Authority notes that no exporter or producer from the subject country has participated in either the present anti-absorption review or the original anti-dumping investigation. In the absence of cooperation from the exporters concerned, exporter-specific information regarding cost structures, sourcing patterns, production economics and pricing behaviour is not available on record. In such circumstances, the Authority is required to proceed on the basis of the best information available and cannot accept an interpretation that would permit exporters to defeat the purpose of an anti-absorption review merely by withholding relevant information through non-participation.

42. With respect to the submissions concerning Sulphur prices and the sourcing pattern of the domestic industry and China, the Authority notes that Sulphur is a globally traded commodity and the information available on record indicates a substantial increase in Sulphur prices during the relevant period. The contention that the domestic industry's costs were uniquely affected by developments in the Gulf region is not supported by the facts on record, which show that the applicant sourced 100% of its Sulphur requirements from domestic suppliers during the relevant period. Further, the material relied upon by the other interested parties does not substantiate their contention that producers in the subject country were insulated from rising Sulphur prices through diversified sourcing. On the contrary, the evidence on record, including the sources relied upon by the other interested parties themselves, indicates continued dependence on Middle Eastern sources for a significant proportion of Sulphur imports into the subject country, and shows that Sulphur prices in the subject country increased substantially during the absorption period.

43. The Authority has also examined the Sulphur pricing information placed on record by the domestic industry. The information demonstrates a significant increase in Sulphur prices during the absorption period in both India and the subject country, and shows that Sulphur prices prevailing in the subject country were broadly comparable to those prevailing in India and exhibited a similar increasing trend during the relevant period. The information on record, therefore, does not support the contention that producers in the subject country were insulated from rising raw material costs or benefited from stable or declining Sulphur prices.

44. The Authority has further considered the submissions regarding economies of scale, integrated operations, production efficiencies and currency movements. No evidence has been placed on

record demonstrating that any such factors resulted in a reduction in the cost of production during the absorption period. Economies of scale, integrated operations and production efficiencies are structural characteristics which, as per the submissions of the other interested parties themselves, existed prior to the imposition of the anti-dumping duty, and have not been shown to constitute developments arising during the absorption period capable of explaining the subsequent decline in export prices.

45. As regards the alleged appreciation of the Chinese Yuan, the Authority notes that no exporter-specific evidence has been placed on record demonstrating that producers in the subject country experienced any reduction or stabilisation in input costs on account of exchange rate movements. The exchange rate information available on record shows that the USD/CNY exchange rate moved from 7.07 Yuan/USD during the original investigation period to 7.125 Yuan/USD during the absorption period, reflecting a depreciation of approximately 0.78% rather than an appreciation. The information on record, including the Sulphur pricing data, shows a substantial increase in Sulphur prices in the subject country during the absorption period notwithstanding the exchange rate movements. The Authority, therefore, finds that the submissions regarding currency appreciation are not supported by the evidence on record and do not provide a credible explanation for the significant decline in export prices observed during the absorption period.

46. The Authority has additionally examined the information available concerning the domestic selling prices of the domestic industry:

Particular	**UOM**	**Original period**	**Absorption period**	**Change**
Domestic sale price	Rs/MT	***	***	***
Trend	Indexed	100	102	-
(i) Raw material cost	Rs/MT	***	***	***
Trend	Indexed	100	131	-
(ii) Utility cost	Rs/MT	***	***	***
Trend	Indexed	100	87	-
(iii) Total of (i)+(ii)	Rs/MT	***	***	***
Trend	Indexed	100	116	-

47. The above table shows that while the cost of production of the domestic industry increased significantly during the absorption period, the domestic industry was able to achieve only a marginal increase in its domestic selling prices, which was substantially lower than the increase in the underlying production costs.

48. The Authority has examined the submission of the other interested parties that the domestic industry's inability to fully recover the increase in its cost of production has not been established to be a consequence of the subject imports and may be attributable to other commercial and economic factors. The Authority notes that these submissions are in the nature of broad assertions and are not supported by any positive evidence on record demonstrating the existence or impact of such factors on the domestic industry's selling prices during the absorption period. In any event, the present proceeding is an anti-absorption review and not an original investigation, and the scope of the review is as set out in Section F above.

49. The Authority, therefore, notes that the evidence on record demonstrates a significant decline in export prices from the subject country following the imposition of the anti-dumping duty, notwithstanding an increase in the cost of production during the same period, and that the domestic industry was unable to secure a commensurate increase in its selling prices despite the imposition of the anti-dumping duty and the increase in raw material costs. These facts, considered together, indicate that the remedial effect of the anti-dumping measure has been undermined by the pricing behaviour of the exporters from the subject country and that the anti-dumping duty has been absorbed and has consequently become ineffective to the extent of such absorption.

H. REASSESSMENT OF NORMAL VALUE, EXPORT PRICE, DUMPING MARGIN AND INJURY MARGIN

H.1 Submissions of the other interested parties

50. The following submissions have been made by the other interested parties in this regard:

a. The other interested parties submitted that the methodology adopted by the domestic industry in the application for determination of normal value differs from that adopted by the Authority in the original investigation, wherein the normal value for China PR was determined on the basis of the price from Malaysia, a market economy third country, to India. It was submitted that if the normal value is constructed on the basis of the cost of production in China PR, the methodology must account for the appreciation of the Chinese Yuan and the consequent reduction in input costs during the period of absorption, and that if the Authority determines the normal value on the basis of a third country methodology, including Malaysian prices, the same should be applied consistently and on the basis of contemporaneous and verifiable data.

H.2 Submissions of the domestic industry

51. The following submissions have been made by the domestic industry in this regard:

a. The applicant submitted that there is no provision under the CTA, the AD Rules or Annexure-I thereto requiring adjustment of the normal value on account of exchange rate movements, and that the request to account for the alleged appreciation of the Chinese Yuan has no statutory basis. The applicant further submitted that since Malaysian prices were adopted for determining the normal value in the original investigation, and the same have also been suggested by the other interested parties themselves, the question of any adjustment for currency appreciation or depreciation does not arise, and the Authority may determine the normal value on the basis of the import prices from Malaysia into India.

H.3 Examination by the Authority

52. Rule 29(2) of the AD Rules provides as follows:

> *"(2) Where an article subject to anti-dumping duty is imported into India at such price or under such condition which is considered as absorption of the existing anti-dumping duty, and such duty is thereby rendered or maybe rendered ineffective, the designated authority may, after conducting review, recommend modification in the form or basis of the anti-dumping duty, or the quantum of anti-dumping duty, or both, after reassessing the dumping margin and injury margin and appropriate changes or adjustments in previously determined normal value and injury, if necessary, in accordance with the provisions of rule 10 and Annexure III to these Rules, respectively, may be done."*

53. In accordance with the above, the Authority has examined the submissions of the applicant and the other interested parties concerning the reassessment of normal value, non-injurious price, dumping margin and injury margin.

54. The Authority notes that, in the original anti-dumping investigation, the normal value for China PR was determined in accordance with Paragraph 7 of Annexure-I to the AD Rules on the basis of the import price of the product under consideration from Malaysia into India. Having regard

to the methodology adopted in the original investigation, and in order to ensure consistency in the present anti-absorption review, the Authority has determined that the normal value should continue to be determined on the same basis. Accordingly, for the purpose of the present review, the Authority has determined the normal value on the basis of the import price from Malaysia into India. Necessary adjustments have been made to the CIF price to arrive at the ex-factory level.

55. With respect to the submission that, if the normal value is determined on a constructed basis, the methodology must account for the alleged appreciation of the Chinese Yuan, the Authority notes that the normal value in the present review has not been determined on a constructed basis. As noted above, the normal value has been determined in accordance with Paragraph 7 of Annexure-I to the AD Rules on the basis of the import price of the product under consideration from Malaysia into India, consistent with the methodology adopted in the original investigation. Accordingly, the issue of making adjustments on account of any alleged appreciation or depreciation of the Chinese Yuan does not arise for the purpose of determination of normal value in the present review.

56. The Authority has examined the information available on record regarding normal value and export price for the purpose of reassessing the dumping margin:

Particulars	**UOM**	**Original POI**	**Absorption period (July'25 to Dec'25)**
Normal Value	USD/MT	***	***
Trend	Indexed	100	87
Adjustment in NV	USD/MT	-	-
Adjusted NV	USD/MT	***	***
Trend	Indexed	100	87

57. Considering the normal value and export price for the PUC, the dumping margin for the PUC has been determined as follows:

Particulars	**UOM**	**Original POI**	**Absorption period (July'25 to Dec'25)**
Normal value based on Malaysia price	USD/MT	***	***
Trend	Indexed	100	87
Export price	USD/MT	1,106	861

Dumping Margin	USD/MT	***	***
Trend	Indexed	100	109
Dumping Margin	%	30-40%	50-60%

58. The Authority notes that the reassessed dumping margin during the absorption period is significantly higher than the dumping margin determined in the original investigation. The increase in the dumping margin is attributable to the substantial decline in export prices following the imposition of the anti-dumping duty, and is consistent with the evidence on record showing that exporters reduced their export prices during the absorption period, thereby undermining the remedial effect of the existing anti-dumping measure.

59. The non-injurious price for the absorption period has been determined at Rs. ***/MT by considering the non-injurious price determined in the original investigation and duly adjusting it for appropriate changes, in accordance with Annexure-III to the AD Rules.

60. Considering the non-injurious price and the landed price of the subject goods, the injury margin for the subject goods has been determined as follows:

Particulars	**UOM**	**Original POI**	**Absorption period (July'25 to Dec'25)**
NIP	**Rs./MT**	***	***
Trend	**Indexed**	**100**	**107**
Exchange rate	Rs/$	83.52	88.65
NIP	USD/MT	***	***
Trend	Indexed	100	101
Landed price	USD/MT	1,281	1,064
Injury Margin	USD/MT	***	***
Trend	Indexed	100	174
Injury Margin	%	20-30%	50-60%

61. The Authority notes that the injury margin during the absorption period is substantially higher than the injury margin determined in the original investigation. The increase in the injury margin is a consequence of the increase in the non-injurious price together with the decline in the landed price of imports during the absorption period. The significant increase in both the dumping margin and the injury margin indicates that the existing anti-dumping duty has not

remained sufficient to offset the extent of dumping and injury during the absorption period and that the remedial effect of the measure has been undermined through absorption.

I. RETROSPECTIVE APPLICATION OF THE MODIFIED DUTY

I.1 Submissions of the other interested parties

62. The following submissions have been made by the other interested parties in this regard:

a. The other interested parties submitted that the domestic industry's request for retrospective modification of the anti-dumping duty from the date of initiation of the anti-absorption review is unsupported by any evidence or justification. They submitted that Rule 31(1) of the AD Rules confers a discretionary power on the Authority, as is evident from the use of the word "may", and that the retrospective application of trade remedial measures should be resorted to only in exceptional circumstances where the remedial effect of the measure would otherwise be seriously undermined. Reliance was placed in this regard on the judgment of the Hon'ble Supreme Court in Commissioner of Customs, Bangalore v. G.M. Exports and Ors. and other decisions on the construction of permissive language in statutes.

b. It was further submitted that retrospective modification of the duty for the period prior to the commencement of provisional assessment would create significant uncertainty for importers, require reopening of concluded assessments and lead to practical difficulties in recovering duties from downstream customers. It was pointed out that provisional assessment was not in place for a substantial period of about 105 days from the date of initiation, and reliance was placed on the final findings of the Authority in the anti-circumvention investigation concerning Cold-Rolled Flat Products of Stainless Steel, wherein the Authority had taken note of the challenges of retrospective collection of duty in a situation where provisional assessment is not undertaken.

I.2 Submissions of the domestic industry

63. The following submissions have been made by the domestic industry in this regard:

a. The applicant requested the Authority to recommend that the modification of the quantum or form of the anti-dumping duty be applied from the date of initiation of the investigation. It was submitted that the existence of absorption itself constitutes a sufficient basis for the Authority to exercise its discretion under Rule 31 in favour of retrospective application in the facts and circumstances of the present investigation, and that the manner in which the customs authorities operationalise the collection and assessment of duties is a separate consideration from the question of retrospective application.

I.3 Examination by the Authority

64. The Authority notes that Rule 31(1) of the AD Rules provides that, upon determination that absorption of anti-dumping duty exists, the Authority may recommend modification of the form or basis of the anti-dumping duty, or the quantum thereof, or both, and that such modification may apply retrospectively from the date of initiation of the investigation under Rule 30. The recommendation of retrospective application is thus a matter to be exercised having regard to the object and purpose of the provision and the facts of the case.

65. The Authority notes that the question of the date from which the modified duty should apply is to be examined in the light of the object and purpose of Rule 31 of the AD Rules and the facts of the case. Rule 31(3) permits the modification to be given effect from the date of initiation of the investigation under Rule 30 or from such other date as may be recommended by the Authority. In the present case, the Central Government has, vide Notification No. 13/2026-Customs (ADD) dated 3rd July 2026, ordered provisional assessment of imports of the subject goods from the subject country, subject to furnishing of a guarantee for payment of the differential anti-dumping duty, if any, pending the outcome of the present review. For the period between the date of initiation and the said notification, imports of the subject goods were assessed finally without any guarantee, and retrospective collection of the differential duty for that period would entail reopening of assessments already concluded and recovery of duty from importers in respect of goods already cleared and, in many cases, consumed or sold onward. From the date of the said notification, however, the assessments are provisional and the importers have been clearly on notice of their liability to pay the differential duty, if any, that may arise from the present review.

66. In the present case, the evidence on record establishes that the exporters from the subject country absorbed the anti-dumping duty by reducing their export prices, thereby rendering the duty ineffective to the extent of such absorption. Having regard to the fact that provisional assessment was operationalised only from 3rd July 2026, the Authority considers it appropriate to balance the remedial object of the provisions with the certainty of concluded assessments. The Authority, therefore, recommends that the modified anti-dumping duty be applied from 3rd July 2026, i.e., the date from which imports of the subject goods have been subjected to

provisional assessment vide Notification No. 13/2026-Customs (ADD), in terms of Rule 31(1) read with Rule 31(3) of the AD Rules.

J. IMPACT ON USERS AND ECONOMIC INTEREST

J.1 Submissions of the other interested parties

67. The following submissions have been made by the other interested parties in this regard:

   a. The other interested parties submitted that the existing anti-dumping duties on the product under consideration have adversely impacted users and importers who rely upon imports of the product under consideration for the manufacture of downstream products.

   b. It was submitted that a number of raw materials used in tyre manufacturing are presently subject to trade remedial investigations or duties, including IIR, Sulphonamide Accelerators, TDQ and ESBR, and that the cumulative impact of such measures on tyre manufacturers is significant. The other interested parties also pointed out the difficulty in assessing the exact impact of the duties on downstream products at present, as the required calculations are time-consuming and additional data compilation is required.

J.2 Submissions of the domestic industry

68. The following submissions have been made by the domestic industry in this regard:

   a. The applicant submitted that the impact of the anti-dumping duty on the downstream industry was examined in the original investigation and found to be minimal, and that no new evidence has been placed on record in the present review.

J.3 Examination by the Authority

69. The Authority notes that the issues concerning the downstream and user impact of the anti-dumping duty on the PUC were examined in detail in the original anti-dumping investigation. The Authority had, inter alia, observed that the data submitted by MRF demonstrated that the share of the PUC constituted only a negligible proportion of the total cost of a tyre and that, therefore, the impact of the anti-dumping duty on the downstream tyre industry would be minimal. The Authority had further noted that the imposition of anti-dumping duty is intended to restore fair competition in the domestic market and does not result in cessation of imports. These issues were examined in paragraphs 128 to 131 of the final findings in the original investigation.

70. The Authority further notes that, in the present review, the quantification of the impact of the duty on the cost and price of the downstream product prescribed under Part-IV of the Economic Interest Questionnaire has not been furnished by MRF, and ATMA has stated that the member-level information regarding the impact of the duty on production, capacity utilisation, employment, profitability and downstream prices is not available with it. In the absence of any new facts, evidence or circumstances placed on record and the investigation being anti-absorption review, the Authority finds no basis warranting a re-examination of the findings recorded in the original investigation in this regard.

K. POST DISCLOSURE COMMENTS

71. The disclosure statement containing the essential facts under consideration was issued to the interested parties on 14 September 2026. The time for comments was extended, on the request of the Automotive Tyre Manufacturers' Association (ATMA), up to 5 pm on 17 September 2026. Comments have been received from the applicant, OCCL Limited, and from ATMA. No comments have been received from any producer or exporter in the subject country. The Authority has examined the post disclosure comments to the extent considered relevant. Submissions which reiterate earlier submissions already examined in these final findings have not been repeated for the sake of brevity.

K.1 Submissions of the domestic industry

72. The domestic industry has requested the Authority to confirm in the final findings the observations recorded in the disclosure statement on the product under consideration, standing, the scope of the review, the oral hearing, absorption, the reassessment of normal value, export price, dumping margin and injury margin, and the impact on users.
73. The domestic industry has submitted that the modified duty should apply from the date of initiation, 20 March 2026, and not from 3 July 2026, since Rule 31(1) expressly permits retrospective application from the date of initiation and the gap between initiation and the notification of provisional assessment cannot by itself justify leaving that period unaddressed. Reliance has been placed on the new shipper review concerning lead acid batteries from China PR (2002), in which duty was recommended from the date of initiation although provisional assessment was notified later.

K.2 Submissions of the other interested parties

74. ATMA has made the following submissions:
    a. The time allowed for comments on the disclosure statement was inadequate and contrary to natural justice and Article 6.2 of the Anti-Dumping Agreement, and the Authority ought to have availed of the extension permitted under the proviso to Rule 30(7). Reliance has been placed on Nirma Ltd. v. Union of India (Gujarat High Court, 2017) and Mahindra & Mahindra v. Union of India (Delhi High Court, W.P. 3022/2014).
    b. The disclosure statement records conclusive findings of absorption, contrary to Rule 16.

c. The non-confidential version of the methodology for determination of the non-injurious price has not been provided.
d. The finding that MRF Limited's import prices declined is contrary to Annexure 3 to MRF Limited's questionnaire response, which shows an increase of 25 per cent in export prices, and the Authority must disclose the transaction-wise DG Systems data relating to MRF Limited's own imports.
e. Reliance on Article 11.2 of the Anti-Dumping Agreement is misplaced; alternatively, Article 11.2 requires an examination of injury and causation. Rule 30(6), to the extent it dispenses with such examination, is ultra vires Section 9A(1B), the Anti-Dumping Agreement and the Constitution, and the Authority should address this submission.
f. The conversion of the oral hearing to hybrid mode at short notice, when the conference hall was not available and the Authority itself attended virtually, denied a fair opportunity of hearing.
g. The raw material and utility cost data was furnished only in the domestic industry's rejoinder; it reflects the domestic industry's costs and cannot be attributed to producers in the subject country, who have different sourcing bases, economies of scale, and the benefit of appreciation of the Chinese Yuan against a depreciating Rupee. The ICIS sulphur price data relied upon was not shared. The disclosure statement compares exchange rates across the two periods, whereas the submission concerned appreciation of the Yuan during the absorption period.
h. Normal value could not be determined on the basis of the import price from Malaysia; in the absence of exporter response it must be constructed on the basis of cost of production in accordance with the Manual of Operating Practices, and an import price adjusted to the ex-factory level cannot serve as normal value.
i. The non-injurious price moved only marginally between the two periods, which is inconsistent with the claimed increase of about 15 per cent in the domestic industry's cost of production.
j. The modified duty should apply prospectively, since the power under Rule 31(1) is discretionary and must be exercised sparingly for cogent reasons; in the alternative, it should not apply before 3 July 2026, the date from which provisional assessment was in force.

K.3 Examination by the Authority

75. The Authority notes that neither the Act nor the AD Rules prescribe a minimum period for comments on a disclosure statement, and that the adequacy of the time allowed is to be assessed on the facts of each case. The review was required to be concluded within six months of initiation under Rule 30(7), and the power to extend that period under the proviso, in special circumstances, rests with the Central Government. The time for comments was fixed with regard to the statutory period and was extended on ATMA's request. The present proceeding is a review of limited scope with few participating parties. The disclosure statement relies on no information that was not on record at the stage of rejoinder, every issue in ATMA's comments other than those at (h) and (i) above was raised in its earlier submissions and examined in the disclosure statement, and ATMA has filed detailed comments on every section of the disclosure statement within the time allowed, which the Authority has considered on merit. The Authority

does not find that any interested party has been denied a full opportunity for the defence of its interests.

76. Rule 16 requires the Authority to disclose the essential facts under consideration which form the basis of its decision. The disclosure statement recorded that it contained the essential facts which would form the basis of the final findings and that all replies would be considered on merit. A disclosure that did not indicate what the Authority proposes to conclude from the essential facts may not enable meaningful comment. The conclusions in these final findings have been arrived at after examination of the comments received.

77. The non-injurious price has been determined in accordance with Annexure III on the basis of the cost data of the domestic industry, which is on record on a confidential basis, and the detailed workings have been disclosed to the domestic industry. The methodology was stated in the non-confidential text of the disclosure statement itself, which recorded that the non-injurious price of the original investigation had been adjusted for appropriate changes in accordance with Annexure III, and is restated here: the non-injurious price determined in the original investigation has been adjusted for the change in the cost elements, namely the cost of raw materials and utilities, between the period of investigation of the original investigation and the absorption period, retaining the best utilisation norms and other parameters adopted in the original investigation, in accordance with the principles of Annexure III. The interested parties have had the opportunity to comment on this methodology.

78. As regards the import prices of MRF Limited, the Authority notes that Annexure 3 to MRF Limited's questionnaire response contains transaction-wise purchases for the absorption period only prepared, as clarified by MRF Limited in response to the Authority's letter dated 31 July 2026, on the basis of the goods receipt note date. It contains no data for the original period of investigation, and neither the written submissions, the rejoinder nor the post disclosure comments state the base period, base price or computation from which the increase of 25 per cent is derived. Annexure 5 to the same response, giving MRF Limited's average import price from all sources for 2022-23, 2023-24 and the period of investigation, shows no increase. The claim is therefore not supported by any evidence on record.

79. The Authority has compared the transactions reported in Annexure 3 with the DG Systems data. The weighted average import price from the two sources is the same. That price is significantly lower than MRF Limited's weighted average import price from the subject country in the period of investigation of the original investigation as per the DG Systems data, as shown below. The decline in MRF Limited's import prices is thus established by its own certified data.

Import price of MRF Limited from the subject country	**UOM**	**Original period (January to December 2023)**	**Absorption period (July to December 2025)**
Weighted average assessable (CIF) value of bills of entry of MRF Limited, as per DG Systems data	Rs/MT	***	***
Trend	Indexed	100	76
Exchange rate INR to USD	Rs/$	***	***

The above converted at the exchange rate adopted for the respective period	USD/MT	***	***
Trend	Indexed	100	72
Weighted average CIF invoice value as per Annexure 3 to the questionnaire response of MRF Limited	USD/MT	-	***
Trend with reference to the original period as per DG Systems data	Indexed	100	72

80. As regards the request for disclosure of the DG Systems data, the Authority notes that the transactions of MRF Limited in the absorption period are those reported by MRF Limited itself, that the transactions in the original period are MRF Limited's own imports, the details of which are in its own records, and that the basis of the comparison has been disclosed above. MRF Limited has not placed its own import data for the original period on record. The Authority further notes that its determination of absorption rests on the average export price from the subject country to India for all imports, as recorded above, and not on the import prices of MRF Limited, which were examined only in response to the contention raised by ATMA.

81. The scope of the review is governed by Section 9A(1B) of the Act and Rules 29 to 31, and the examination in these final findings rests on those provisions. The reference to Article 11.2 of the Anti-Dumping Agreement was in the context of ATMA's own earlier submission that reviews under Article 11.2 require a comprehensive analysis; ATMA now submits that Article 11.2 has no application. In either event the scope of the review is that prescribed by Rule 30(6), for the reasons recorded above. The validity of the Rules framed under the Act is not a matter the before the authority;

82. As regards the oral hearing, the Authority notes that the hearing was notified on 29 July 2026 in virtual mode, that ATMA sought a hybrid hearing on 1 August 2026, that the parties were informed on 4 August 2026 that the hearing could also be attended in person, and that the hearing was held as scheduled with all parties, including the domestic industry, participating virtually. ATMA presented its case and thereafter filed written submissions and a rejoinder, and has not identified any submission it was prevented from making. The Rules do not prescribe the mode of hearing, and under Rule 6(7) oral submissions are considered only when reproduced in writing. No denial of an effective opportunity of hearing is made out.

83. As regards the cost data, the Authority notes that the non-confidential application contained the indexed trend of raw material and utility cost between the two periods, which ATMA addressed in its written submissions. The figures adopted are those examined by the Authority. The ICIS sulphur price data was filed as non-confidential Exhibits 3 and 4 to the domestic industry's rejoinder and was available to the interested parties. On the Chinese Yuan, the question under Section 9A(1B) is whether the export price decreased without a commensurate change in the cost of production as between the original period of investigation and the absorption period, and the relevant comparison of exchange rates is therefore between the two periods, over which the Yuan did not appreciate against the US Dollar. The decline in export prices has been established in US Dollar terms and the increase in the cost of raw materials and utilities taken together has been shown in US Dollar as well as Rupee terms, so that neither is

affected by the depreciation of the Rupee. The statement in the domestic industry's earnings call relied upon by ATMA confirms the increase in the domestic industry's costs. The remaining submissions on sourcing and economies of scale have been examined above.

84. As regards normal value, the Authority notes that in the original investigation normal value for the subject country was determined under paragraph 7 of Annexure I on the basis of the export price of the product from Malaysia to India, and that ATMA in its written submissions in the present review asked that the same methodology be applied consistently and on contemporaneous data. The Authority has done so. Paragraph 7 of Annexure I permits normal value for a non-market economy to be determined on the basis of the price from a market economy third country to other countries including India, and there is no requirement that normal value be constructed on cost of production whenever the exporters do not cooperate; the Manual describes the manner of construction where that basis is adopted. The adjustment of the Malaysian price from CIF to ex-factory level is required for a fair comparison with the export price at the same level of trade and does not convert it into a constructed value. The submission is rejected.

85. As regards the marginal movement of the non-injurious price, the Authority notes that in the current anti-absorption investigation, only RM cost and utility cost is re-determined based on rates prevailing during absorption period, the remainder being conversion cost, selling, general and administrative expenses and return on capital employed, have been retained at the level of the original investigation. The NIP in the original investigation and redetermined NIP in the anti-absorption is expressed in exchange rate prevailing in the respective period. The rupee has been depreciated against dollar in the absorption period as compared to the original POI, thereby, the impact on NIP in dollar terms has been reduced. Thus, even if in the rupee terms, the cost of production has increased in the absorption period, when compared in dollar terms, the impact is reduced. Therefore, the movement in the non-injurious price is thus fully consistent with the increase in the cost of raw materials and utilities relied upon in the examination of absorption, and does not indicate that the latter is overstated.

86. As regards the date of application of the modified duty, the Authority notes that the reasons for proposing application from 3 July 2026 were recorded in the disclosure statement. The Authority recommends that the modified duty apply from 3 July 2026. The new shipper review relied upon by the domestic industry was governed by the rule applicable to such reviews, which itself provides for levy from the date of initiation, and does not govern the exercise of discretion under Rule 31.

87. The submissions of the domestic industry requesting confirmation of the observations in the disclosure statement have been examined in the respective sections of these final findings, and the conclusions recorded there are confirmed.

L. CONCLUSION AND RECOMMENDATION

88. Having examined the submissions of the interested parties and the facts on record, the Authority concludes as follows:

a. The product under consideration is Insoluble Sulphur, as defined in the original investigation, originating in or exported from China PR. The scope of the product under consideration in the present review is the same as in the original investigation.
b. The application for the anti-absorption review was filed by OCCL Limited, the sole producer of the product under consideration in India, within the time prescribed under Rule 29(3), and was duly substantiated.
c. The scope of an anti-absorption review under Section 9A(1B) of the Act read with Rules 29 to 31 is confined to examining whether the anti-dumping duty in force has been absorbed and to reassessing the dumping margin and the injury margin. A fresh determination of injury and causal link is not required under Rule 30(6).
d. The export price of the product under consideration from the subject country to India declined significantly in the absorption period as compared to the period of investigation of the original investigation, in both Rupee and US Dollar terms, and the decline exceeds the quantum of the anti-dumping duty in force.
e. The cost of production of the product under consideration did not decline in the absorption period; the cost of raw materials increased significantly and the cost of raw materials and utilities taken together increased in both Rupee and US Dollar terms, and the information on record shows that producers in the subject country were exposed to the same increase in sulphur prices.
f. The domestic industry was unable to increase its selling prices commensurately with the increase in its costs despite the imposition of the anti-dumping duty.
g. The anti-dumping duty in force has accordingly been absorbed within the meaning of Section 9A(1B) of the Act and Rule 29 of the AD Rules and has been rendered ineffective to the extent of such absorption.
h. The dumping margin and the injury margin reassessed for the absorption period are significantly higher than those determined in the original investigation.
i. The Authority finds no procedural infirmity in the conduct of the review. The interested parties were given adequate opportunity to present their case through questionnaire responses, the oral hearing, written submissions, rejoinders and comments on the disclosure statement, and no prejudice or denial of an effective opportunity has been shown.

89. The Authority notes that the review was initiated and notified to all interested parties and that adequate opportunity was given to the domestic industry, the producers and exporters in the subject country, the importers and users and the other interested parties to provide information and to present their views. No producer or exporter from the subject country has participated in the review.

90. Having regard to the determination that the anti-dumping duty in force has been absorbed, the Authority, in terms of Section 9A(1B) of the Act and Rule 31 of the AD Rules, recommends modification of the quantum of the anti-dumping duty imposed on imports of the product under consideration originating in or exported from China PR vide Notification No. 13/2025-Customs (ADD) dated 6 June 2025. The form of the duty, namely a fixed amount in US Dollars per MT, remains unchanged and only the quantum is modified. Having regard to the lesser duty rule, the modified anti-dumping duty is recommended as equal to the lesser of the reassessed

dumping margin and the reassessed injury margin, being the amount mentioned in column 7 of the duty table below. The modified duty shall be applicable, in place of the duty presently in force on imports from China PR, for the remaining period of the anti-dumping duty imposed vide Notification No. 13/2025-Customs (ADD) dated 6 June 2025, unless revoked, superseded or amended earlier.

91. The Authority further recommends, in terms of Rule 31(1) read with Rule 31(3) of the AD Rules and for the reasons recorded above, that the modified anti-dumping duty apply retrospectively with effect from 3 July 2026, the date from which imports of the product under consideration have been subjected to provisional assessment under Rule 30(5) of the AD Rules vide Notification No. 13/2026-Customs (ADD), and that the provisional assessments of imports made on or after that date be finalised accordingly. The anti-dumping duty imposed on imports of the product under consideration originating in or exported from Japan vide Notification No. 13/2025-Customs (ADD) dated 6 June 2025 is not affected by the present review.

Duty Table

S. No.	Sub-heading or Tariff Item*	Description of Goods	Country of Origin	Country of Export	Producer	Amount	Unit	Currency
1	2	3	4	5	6	7	8	9
1	3812 39 30, 2802 00 10, 3824 99 00	Insoluble Sulphur	China PR	Any country including China PR	Any	485	MT	USD
2	-do-	-do-	Any country other than China PR and Japan	China PR	Any	485	MT	USD

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

M. FURTHER PROCEDURE

92. An appeal against the order of the Central Government arising out of these final findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act, 1975.

(Amitabh Kumar)

Designated Authority

Digitally signed by
Amitabh Kumar
Date: 18-09-2026
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