NON-CONFIDENTIAL

CASE NO. AD (OI) – 27/2025

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF TRADE REMEDIES

FINAL FINDINGS

Anti-dumping investigation concerning imports of "4-Aminodiphenylamine" (also known as "4-ADPA") originating in or exported from People's Republic of China ("China PR") and the European Union

NON-CONFIDENTIAL

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F. No. 6/30/2025-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

[FINAL FINDINGS]

[Case No. AD (OI)- 27/2025]

Subject: Anti-dumping investigation concerning imports of "4-Aminodiphenylamine (4-ADPA)" originating in or exported from China PR and the European Union.

F. No. 6/30/2025-DGTR - Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred as "Act") and the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter referred as the "Anti-Dumping Rules" or "Rules") thereof,

A. BACKGROUND OF THE CASE

1. M/s NOCIL Limited (hereinafter referred to as the "applicant") filed an application, before the Designated Authority (hereinafter also referred to as the "Authority") in accordance with the Customs Tariff Act, 1975 and the Anti-Dumping Rules for initiation of anti-dumping investigation concerning imports of '4-Aminodiphenylamine' (hereinafter also referred to as the "product under consideration" or the "subject goods" or "4-ADPA") from the People's Republic of China ("China PR") and the European Union (hereinafter referred to as the "subject countries").

2. And whereas, in view of the duly substantiated application filed by the applicant, the Authority issued a public notice vide Notification F. No. 6/30/2025-DGTR, dated 29th September, 2025, published in the Gazette of India, initiating anti-dumping investigation into imports of the product under consideration from China PR and the European Union in accordance with Rule 5 of the Anti-Dumping Rules to determine the existence, degree and effect of any alleged dumping of the product under consideration and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

B. PROCEDURE

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

3.1 Initiation

i. In accordance with Rule 5(5), the Authority notified the embassy of the subject countries in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation.

ii. Upon examination of the application, the Authority found prima facie evidence of dumping and consequent injury. Therefore, in accordance with Rules 5 and 6, vide Notification F. No. 6/30/2025-DGTR dated 29th September 2025, the Authority initiated the present proceedings.

iii. The period of investigation (POI) was considered as 1st April 2024 to 31st March 2025 (12 months). The injury period was set to cover the period 1st April 2021 to 31st March 2022, 1st April 2022 to 31st March 2023, 1st April 2023 to 31st March 2024 and the period of investigation.

iv. A request was made to the Directorate General for Systems and Data Management ("DG Systems") for transaction-wise import data of the product under consideration for the injury period. The Authority received the data and has relied upon this data for the necessary analysis after due examination of the transactions.

3.2 Circulation of non-confidential version of the application

v. In accordance with Rule 6(2), the Authority informed the interested parties of the initiation of investigation by sharing a copy of the initiation notification with the embassy of the subject country in India, known producers and exporters of the product under consideration in the subject countries, known importers of the subject goods in India and other interested parties, as per the information made available in the application.

vi. In accordance with Rule 6(3), the Authority provided a copy of the non-confidential version of the application to the government of the subject countries through their embassy in India, known exporters of the subject imports and to other interested parties who requested in writing for a copy of the application.

vii. The Authority sent questionnaire to the government of the subject countries through their embassy in India. The government of the subject country was requested to forward the initiation notification and the questionnaires to the producers of the product under consideration in their country and advise them to respond to the questionnaire within the prescribed time limit.

viii. The Authority sent exporter questionnaires to the known producers/exporters of the subject goods calling for necessary information in accordance with Rule 6(4) of the Rules.

SN	Subject country	Name of interested party
1	China PR	Hebei Kemai New Material Technology Co. Ltd.
2	China PR	M/s Lanxess Chemical (China) Co. Ltd.
3	European Union	Eastman Chemical Switzerland LLC
4	European Union	Flexsys Netherlands B.V.

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

SN	Name of interested party
1	Finorchem Limited
2	Indian Additives Limited
3	Lanxess India Private Limited

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

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

SN	Subject country	Name of interested party
1	China	Sennics Co. Ltd. (Shandong)
2	China	Sennics Co. Ltd. (Anhui)
3	China	Sennics Co. Ltd.
4	China	Lanxess Chemical (China) Co. Ltd.
5	European Union	Flexsys Netherlands B.V

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

SN	Name of interested party
1	Lanxess India Private Limited
2	Finorchem Limited

xii. The Authority issued an Economic Interest Questionnaire (EIQ) to assess public interest and impact of the duties on the wider economy. A copy of the EIQ was sent to the embassy of the subject countries, all the known exporters, importers and users and the applicant. The following interested parties have filed submissions:

SN	Name of interested party

1	NOCIL Limited
2	Lanxess India Private Limited

xiii. A list of all interested parties that registered themselves within the prescribed timeline was uploaded on the website. All registered interested parties were directed to circulate the non-confidential version of all their submissions in the present proceedings with all other interested parties.

3.4 Further procedures

xiv. In accordance with Rule 6(6), the Authority provided an opportunity to the interested parties to present their views orally in a hearing held on 20th January 2026. The parties presenting their views in the oral hearing were directed to make written submissions of the views expressed orally, followed by rejoinder submissions. In accordance with the accepted practice of the Authority, non-confidential versions of the rejoinder submissions by the parties were circulated.

xv. In accordance with Rule 6(8), wherever an interested party has refused access to or has otherwise not provided necessary information in a timely manner during the course of the present proceedings, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the findings based on the facts available.

xvi. In accordance with Rule 7, information provided by the interested parties on a confidential basis was examined by the Authority with regard to the sufficiency of the confidentiality claimed. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide a non-confidential summary of the information filed on confidential basis.

xvii. In accordance with Rule 8, the Authority conducted verification of the data provided by the applicant and other interested parties to the extent considered necessary for the present proceedings. The Authority has considered the verified data of the interested parties in its analysis in the present case.

xviii. The Authority calculated the non-injurious price (NIP) for the product under consideration so as to ascertain whether duties lower than the dumping margin would be sufficient to remedy the injury being suffered by the applicant. The NIP has been calculated based on the optimum cost of production and cost to produce & sell the domestic like article in India, based on the information furnished by the applicant and having regard to the Generally Accepted Accounting Principles (GAAP).

xix. The Authority examined the issues raised, information provided, and submissions made by the interested parties during the course of the proceedings, to the extent they were supported by evidence and considered relevant to the present purpose, in making the final finding.

xx. The examination and verification of the information submitted by the cooperating producers/exporters from the subject countries were also carried out to the extent deemed necessary and the same has been relied upon for the purpose of the present final findings.

xxi. A disclosure statement containing the essential facts of the investigation which have formed the basis of the final findings was issued to the interested parties on 9th September 2026 and the interested parties were asked to provide comments on the disclosure statement. The submissions made by the interested parties, arguments raised, and the comments to disclosure statement received from the interested parties have been considered, to the extent found relevant, non-repetitive and supported with evidence in this final finding notification.

xxii. '***' represents information furnished by a party on a confidential basis and so considered by the Authority under the Rules.

xxiii. The exchange rate adopted by the Authority for the present investigation is 1 US$ = ₹85.43, 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 period of investigation. The same rate has been applied throughout this final finding.
Source: https://foservices.icegate.gov.in/#/services/viewExchangeRate

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Submissions by other interested parties

4. The other interested parties have made the following submissions with regard to the product under consideration and like article.

i. The product under consideration defined in the application and the initiation notification is limited to "4-Aminodiphenylamine" also known as "4-ADPA" or "4-N-phenylbenzene-1,4-diamine".

ii. While para 7 of the initiation notification mentions that the domestic industry has "reported" captively transferred 4-ADPA separately, the same neither states that such captively transferred goods are 4-ADPA with additives, nor does it state that 4-ADPA with additives are included in the purview of the present investigation.

iii. 4-ADPA with additives are beyond the product scope defined in the application as well as the initiation notification.

C.2 Submission by the applicant

5. The applicant has made the following submissions with regard to the product under consideration and like article:

i. The product under consideration is '4-Aminodiphenylamine' and is also known as '4-ADPA'.

ii. There is no known difference in the like article produced by the applicant and the imported product.

iii. On the submission that 4-ADPA with additives is not part of the product under consideration, it is submitted that 4-ADPA with additives is also nothing but 4-ADPA. The information given in the application also includes both 4-ADPA with and without additives.

iv. If 4-ADPA with additives is excluded, imposition of ADD shall become futile, as the consumers would shift their complete requirements to 4-ADPA with additives.

v. As per the applicant's estimates, almost 99% of 4-ADPA is meant for producing N-(1,3-dimethylbutyl)-N'-phenyl-p-phenylenediamine (also known as '6PPD' or 'PX-13') and about 1% is used in production of N-Isopropyl-N'-phenyl-1,4-phenylenediamine (also known as 'IPPD')

C.3 Examination by the Authority

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

"4. The product under consideration (PUC) in this present application is "4-Aminodiphenylamine" also known as "4-ADPA" or "4-N-phenylbenzene-1,4-diamine".
5. 4-ADPA is a rubber chemical intermediate falling under the scope of 'Rubber Chemicals'. It is primarily used in the production of PX-13 (N-(1,3-dimethylbutyl)-N'-phenyl-p-phenylenediamine), also known as 6PPD, and to a minor extent in the production of IPPD.
6. The prescribed unit of measurement for the product under consideration is weight, expressed in Metric Tonne (MT). All information in the application is presented in MT.
7. The applicant has submitted that 4-ADPA produced and sold for merchant sales and the 4-ADPA that is captively transferred for PX-13 production are reported separately. However, this has been treated as a single product for the purpose of present investigation.
8. The product under investigation is being imported under Custom Tariff Heading 2921 44 10 and 2921 51 90 of the First Schedule to the Customs Tariff Act, 1975. However, it is possible that the subject goods may also be imported under other headings and therefore, the Customs tariff heading is indicative only and is not binding on scope of the product."

7. 4-Aminodiphenylamine bears CAS Registry No. 101-54-2, has the molecular formula $C_{12}H_{12}N_2$ and a molar mass of about 184.24 g/mol, and in its commercial form is a dark purple to purple-black solid melting at about 75°C. It is produced commercially by the condensation of aniline with nitrobenzene, followed by the hydrogenation of the 4-nitrodiphenylamine so formed. It is an intermediate and is not used as such in any end application. On the estimate of the applicant, about 99% of the 4-ADPA consumed is used in the manufacture of PX-13 (6PPD) and about 1% in the manufacture of IPPD. The submissions of the interested parties with regard to the end uses of the product under consideration are examined in the final findings.

8. In terms of para 9 of the initiation notification, the interested parties were called upon to offer their comments on the scope of the product under consideration and to propose product control numbers (PCNs), if any, within 15 days of the circulation of the non-confidential version of the documents filed before the Authority. The non-confidential version of the application was intimated to all interested parties vide letter/e-mail dated 06.10.2025, and the period so granted ended on 21.10.2025. Within that period the only comments received were those of the domestic industry, confined to the PCN methodology; no interested party sought the exclusion of any type, grade or form of the product, or any other modification of the scope of the product under consideration.

9. With regard to the PCN methodology, the domestic industry submitted that it undertakes further processing of 4-ADPA, involving the use of raw material and conversion cost, before transferring the product to its other plant for the production of PX-13, whereas the product imported from the subject countries is imported without such processing. It accordingly requested that the processed and the unprocessed forms be treated as separate PCNs.

10. The Authority, vide communication F. No. 6/30/2025-DGTR dated 24.10.2025 addressed to all interested parties, recorded that, apart from the domestic industry, no proposals for the construction of PCNs had been received; that, after examination of the comments received on the PUC/PCN, the Authority adopts the same scope of the product under consideration as notified in the initiation notification without any changes; and that no PCNs are adopted in this case. The communication further recorded that it was limited to clarifying the scope of the product under consideration, that it did not preclude the interested parties from providing relevant information and evidence to substantiate a request for the exclusion of any particular product, and that the Authority shall decide the scope of the product under consideration for any measures recommended, after considering the information and evidence furnished by all interested parties during the course of the investigation.

11. As regards the adoption of PCNs, the Authority notes that the subject imports during the period of investigation were of 4-ADPA in unprocessed form, that is, without additives, as borne out by the transaction-wise import data obtained from the Directorate General of Systems, examined and filtered so as to exclude goods other than the product under consideration, and by the questionnaire responses filed by the participating producers and exporters. No interested party has claimed the contrary. The product under consideration being homogeneous as imported, the Authority did not consider it necessary to adopt product control numbers in the present investigation.

12. The contentions of the parties recorded above raise two distinct questions, namely, (a) whether the inclusion of 4-ADPA containing additives within the scope of the product under consideration amounts to an impermissible enlargement of that scope beyond the

description notified at initiation; and (b) whether the form produced by the domestic industry after the addition of additives and the form without additives constitute a single like article in relation to the product under consideration. The two questions are examined separately hereunder.

13. As regards the first question, the scope of the product under consideration crystallises at the stage of initiation. Rule 5 of the Rules requires an investigation to be initiated only upon a duly substantiated written application identifying the article alleged to be dumped, and Rule 6(1) of the Rules requires the public notice of initiation to contain adequate information regarding, inter alia, the description of the article involved — consistently with Articles 5.2, 6.1, 6.2 and 12.1.1 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("the Anti-Dumping Agreement"). It is upon the description notified at initiation that producers, exporters, importers and users decide whether to participate in the investigation and what information to file. The Authority may therefore clarify the notified scope, or narrow it by excluding a particular product type upon evidence, but may not enlarge it beyond the description notified at initiation, as such enlargement would deprive the interested parties of the notice and the opportunity contemplated by the Rules and the Anti-Dumping Agreement.

14. At the same time, neither the Anti-Dumping Agreement nor the Rules prescribe the manner in which the product under consideration is to be delineated, or require it to be internally homogeneous. Article 2.6 of the Anti-Dumping Agreement defines the "like product" by reference to the product under consideration, but does not govern the delineation of the product under consideration itself. The Panel in European Communities — Anti-Dumping Measure on Farmed Salmon from Norway (WT/DS337/R) observed, at para 7.48, that "there is simply nothing in the text of Article2.1 that provides any guidance whatsoever as to what the parameters of that product should be", and held, at para 7.68, that Articles 2.1 and 2.6 do not require an investigating authority to define the product under consideration so as to include only products that are "like" one another. A single product under consideration may therefore comprehend more than one form of the same article, and the decisive question is whether the form in dispute answers the description notified at initiation.

15. Applying that test, it is the domestic industry's own statement on the record, made in the context of the PCN methodology, that the further processing undertaken prior to captive transfer consists of the addition of an additive and the incurring of a conversion cost. Such addition does not alter the chemical identity, composition or essential character of the product, which remains 4-Aminodiphenylamine, and the product serves the identical end use. No interested party has placed on record any technical or commercial evidence to show that 4-ADPA containing additives is bought, sold or otherwise dealt with as a distinct commercial article, or that it has characteristics or uses different from those of 4-ADPA. The Authority clarifies that this determination proceeds upon the description of the product and not upon its customs classification, the customs tariff heading being

indicative only. The Authority accordingly holds that 4-ADPA, whether or not containing additives which do not alter its essential character as 4-ADPA, answers the description of the product under consideration notified at initiation, and that its inclusion is a clarification of the scope as originally notified and not an enlargement of it.

16. The interested parties were, moreover, placed on notice at the stage of initiation that captively transferred 4-ADPA formed part of the product under consideration. Para 7 of the initiation notification records in terms that, although the merchant and the captively transferred quantities were reported separately by the applicant, "this has been treated as a single product for the purpose of present investigation". The scope so notified was therefore not confined to the merchant form. The determinations of dumping and injury have been made on the basis of the product as actually imported and the corresponding domestic like article, and no producer, exporter or importer is prejudiced by the clarification recorded above. The objection having been raised after the expiry of the period prescribed under para 9 of the initiation notification and without supporting evidence, the Authority has nevertheless examined it on the merits, in terms of the liberty preserved by the communication dated 24.10.2025.

17. As regards the second question, the domestic industry manufactures a single article, namely, 4-ADPA, a part of which is sold in the merchant market without additives and a part captively transferred, after the addition of additives, for the production of PX-13. For the reasons recorded in para 15 above, that further processing does not bring into existence a different article. The Authority accordingly holds that the 4-ADPA produced by the domestic industry, whether or not containing additives and whether sold in the merchant market or captively transferred, constitutes one and the same like article in relation to the product under consideration within the meaning of Rule 2(d) of the Rules, and forms a single domestic like article for the purposes of the present investigation. The merchant and the captive volumes together accordingly constitute the production and the sales of the like article, and the volume parameters of the domestic industry — production, capacity utilisation, demand and market share — have been examined on that basis in this final findings. The price and profitability parameters — net sales realisation, cost of sales, profit, return on capital employed and the price effect of the subject imports — have been examined with reference to the merchant sales of the domestic industry, captive transfers not being sales at market prices and not yielding a net sales realisation capable of comparison with the landed value of the subject imports. The effect of the decline in the captive consumption of the domestic industry has been separately considered in the non-attribution analysis below.

18. The request of the domestic industry for separate product control numbers was founded upon the difference in cost between the processed and the unprocessed forms. The Authority notes that the subject imports are of the unprocessed form, and that the net sales realisation and the cost of sales of the domestic industry adopted for the price-effect comparison are those of its merchant sales, which are likewise of the unprocessed form;

the comparison has therefore been made in respect of the same form of the product and at the same level of trade. In determining the non-injurious price, the cost of the additive and the conversion cost of the further processing undertaken prior to captive transfer have not been taken into account. The methodology for the determination of the non-injurious price is set out below.

19. The Authority has also considered the submission of the domestic industry that the exclusion of 4-ADPA with additives would render any anti-dumping duty futile. The conclusion recorded above rests upon the finding that 4-ADPA containing additives answers the description of the product under consideration notified at initiation, and not upon that apprehension, on which the Authority considers it unnecessary to express any view. It is, however, clarified that imports of 4-ADPA containing additives which do not alter its essential character as 4-ADPA fall within the scope of the product under consideration and of any measure that may be recommended in the present investigation. It is further observed, without prejudice, that any alteration of the description, name or composition of an article subject to anti-dumping duty in order to escape such duty is in any event amenable to proceedings under Rules 25 to 28 of the Rules.

20. In view of the foregoing, the Authority confirms the scope of the product under consideration as notified at the stage of initiation, and holds that the product under consideration in the present investigation is:

> *"4-Aminodiphenylamine", also known as "4-ADPA" or "4-N-phenylbenzene-1,4-diamine", whether or not containing additives which do not alter its essential character as 4-Aminodiphenylamine*

21. The product under consideration is imported under Customs Tariff Headings 2921 44 10 and 2921 51 90 of the First Schedule to the Customs Tariff Act, 1975. It is possible that the subject goods may also be imported under other headings. The customs tariff heading is therefore indicative only and is not binding upon the scope of the product under consideration.

22. Rule 2(d) of the Rules defines "like article" as under:
"like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation.

23. There is no known difference between the product under consideration exported from the subject countries and the article produced by the domestic industry. The two 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; they are technically and commercially substitutable

and can be used interchangeably by consumers. No interested party has claimed otherwise. The Authority therefore holds that the article produced by the domestic industry, whether sold in the merchant market or captively transferred, is a like article to the product under consideration imported from the subject countries within the meaning of Rule 2(d) of the Rules.

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1 Submission by opposing interested parties

24. The opposing interested parties have made the following submissions with regard to the scope of the domestic industry and its standing.
    i. New investment and capacity expansion by another producer are inconsistent with any claim of material injury. These developments demonstrate that the market remains viable and competitive.

D.2 Submission by the applicant

25. The applicant has made the following submissions with regard to the scope of the domestic industry and its standing:
    i. The applicant is the sole producer in India of the product under consideration, 4-Aminodiphenylamine (4-ADPA).
    ii. Other than the applicant, there is another producer of the like article. However, it is the applicant's understanding that the producer has commenced production post the period of investigation.
    iii. The applicant has not imported the product under consideration in the period of investigation from any of the subject countries.
    iv. The applicant is not related to any exporters in the subject countries or importers of the product under consideration into India.

D.3 Examination by the Authority

26. Rule 2(b) of the Rules defines the term 'domestic industry' as under:

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

27. The application has been filed by NOCIL Limited. As per the information on record, there is one other producer of the subject goods in India viz., Finorchem Limited. The Authority had sent communication to Finorchem Limited before the initiation of this

investigation. Finorchem Limited responded and conveyed its support to the anti-dumping application filed by the applicant, informing that they have established a new manufacturing facility for 4-Aminodiphenylamine (4-ADPA) at Panoli, Ankleshwar, District Bharuch, Gujarat, in March 2025 with an installed capacity of 12,240 MTPA. The domestic industry has claimed that the producer was not producing the product under consideration during the injury period, which has not been disputed by the producer

28. The Authority has examined the DG System transaction-wise data, and it is seen that NOCIL Limited has not imported the product under consideration in the period of investigation. It is also seen that NOCIL Limited is not related to any exporters of the product under consideration from the subject countries or any importer in India.

29. Based on the information on record, the Authority has determined the Indian production and share of NOCIL Limited in Indian production for the period of investigation as follows:

SN	Particulars	Production	Share (%)
1	Production of NOCIL Limited	***	100%
2	Production of Other Indian Producers	-	0%
3	**Total/gross Indian production**	***	**100%**

30. The Authority notes that the production of NOCIL Limited accounts for 100% share in the gross Indian production.

31. Considering the information available on record, it is seen that NOCIL Limited accounts for a major proportion of Indian production in terms of the Rules. NOCIL Limited is an eligible domestic industry within the meaning of Rule 2(b) and satisfies the criteria of standing in terms of Rule 5(3) of the Rules. Hence, the Authority holds that NOCIL Limited constitutes a domestic industry within the meaning of the Rules.

E. CONFIDENTIALITY AND MISCELLANEOUS SUBMISSIONS

E.1 Submission by opposing interested parties

32. The opposing interested parties have made the following miscellaneous submissions:
    i. Contrary to the claims of the applicant, all confidentiality claims made in their response by the producers in the subject country are consistent with Rule 7 of the Anti-Dumping Rules and the Trade Notice No. 10/2018 dated 27th September 2018 issued by the Authority. These claims have been made only for proprietary business information, disclosure of which would result in significant commercial harm and may adversely affect the competitive position of the company.

ii. Applicant has failed to adhere to the requirements of Trade Notice 10/2018 on confidentiality as it has failed to disclose the range of non-injurious prices
iii. Import data should be provided by the Authority in the same format and manner it was taken on record for the purpose of this investigation in line with the judgement of the Hon'ble CESTAT in Exotic Décor Pvt. Ltd. vs Designated Authority (Anti-Dumping Appeal No. 52233 OF 2018) dated 12th June 2020.
iv. When the applicant first approached the Authority seeking anti-dumping duties on 4-ADPA, the application was rejected on the correct and settled ground that the applicant was consuming the entire production captively and was not selling 4-ADPA in the open market.
v. The data sourced by the applicant from the private source is not authentic and reliable.

E.2 <u>Submission by the applicant</u>

33. The applicant has made the following miscellaneous submissions:
    i. Excessive confidentiality is claimed by Sennics Co., Ltd., Sennics Co., Ltd. Anhui and Sennics Co., Ltd. Shandong concerning the production process, list of products produced, list of related companies and the financial and accounting system used by the companies. Related parties should be disclosed in accordance with the Trade Notice.
    ii. Lanxess India Private Limited, contrary to the requirement under Trade Notice No. 10//2018 has claimed confidential the purchase quantity and value of the 4-ADPA, total sales turnover (quantity and value), list of products sold, production process and flow chart of products manufactured using the product under consideration, cost of raw material for each of the products that incorporate 4-ADPA, share in downstream Indian market, countries where products manufactured incorporating 4-ADPA are sold and estimated market share therein, and details of utilization of 4-ADPA.
    iii. Sennics Co. Ltd., Sennics Co., Ltd. Anhui and Sennics Co., Ltd. Shandong, contrary to the requirement under Trade Notice No. 10//2018 has claimed confidential details of related parties involved in production/sale/purchase of PUC and details of main raw materials involved in the manufacture of PUC.
    iv. The other interested parties alleged that the domestic industry failed to adhere to the trade notice 10/2018, however, the domestic industry has disclosed all relevant information, including the NIP (in range) and net sales realization (in indexed/trend form), in the non-confidential version of the application.
    v. The facts of the present investigation and previous application filed on 4-ADPA are completely different. For the previous application, the case was not initiated in the absence of domestic sales by the applicant and the presence of a demand-supply gap. In contrast, neither of these circumstances exists in the present investigation.
    vi. There is no sufficient evidence brought forward by the interested party showing how the import data of the applicant is unreliable. Since transaction-wise data from

DGCI&S was not available with the applicant, the applicant had considered import data as per third-party information, which the applicant is not authorized to disclose.

E.3 Examination by the Authority

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

"7. *Confidential Information*:

(1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, sub-rule (4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub -rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.
(2) The designated authority may require the interested parties providing information on confidential basis to furnish nonconfidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarisation is not possible.
(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorize its disclosure in a generalized or summary form, it may disregard such information."

35. It is seen that the domestic industry and interested parties have claimed confidentiality on information, such as production, capacity, capacity utilization, sales volumes, market share, stocks, selling price, costs, profits, cash profits, return on investment, non-injurious price, cost of production related information, normal value, export price, dumping margin, landed price, injury margin, price adjustments, profit related information, sales channels, sales & purchase documents, customers and suppliers names, etc. It is also seen that wherever information is for the injury period, the same has been provided on an indexed basis. Wherever information pertains to single year, the same has been disclosed in range, if such disclosure does not compromise confidentiality of information. The interested parties have claimed confidentiality in various supporting

documents & information, wherever such information has not been publicly disclosed by them. In those cases where an interested party has not publicly disclosed its annual reports and financial statements, the same has been claimed confidential. Wherever the interested parties have claimed a document as confidential, it is noted that these interested parties have claimed that these documents are not susceptible of summary and have given reasons why summarization is not possible. The interested parties claimed that the domestic industry did not disclose range of non-injurious price. It is noted that the same information was subsequently disclosed.

36. The Authority has consistently allowed interested parties to claim confidentiality on such information and documents provided by domestic industries, foreign producers and other interested parties in all investigations. The Authority notes that all the interested parties have claimed their business-related sensitive information as confidential. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered confidential and not disclosed to the other interested parties.

37. With regard to the opposing interested parties' argument that a previous application concerning the product under consideration was rejected by the Authority on the ground that the domestic industry was consuming its entire production captively and was not selling 4-ADPA in the open market, the Authority notes that such rejection is not relevant to the present application. In the present investigation, the domestic industry has sold in the domestic market throughout the injury period. Further, the capacity of the domestic industry is sufficiently higher than the demand in the country. The Authority notes that the present investigation was initiated based on a duly substantiated written application submitted by the domestic industry. The Authority reached satisfaction, based on the prima facie evidence submitted by the domestic industry, regarding the dumping of the product under consideration originating in or exported from the subject countries, the consequent injury to the domestic industry as a result of such dumping, and the causal link between the dumped imports and the injury suffered by the domestic industry. The investigation was accordingly initiated in accordance with Section 9A of the Act read with Rule 5 of the Rules.

38. As regards disclosure of transaction-wise data by the applicant or DGTR, the Authority notes that the relevant information prescribed for the applicant is volume and value of imports. The applicant has submitted that it has relied upon market intelligence data to ascertain the volume and value of imports. The import volume and value have been disclosed to the other interested parties. The applicant claimed its data as confidential. In any case, the Authority has relied upon DG Systems data for computation of total volume and value of imports. Since transaction-wise data procured by the Authority is not in the public domain and the same is not shared by the Government of India with the public at large, the same has not been disclosed to any interested party, including the domestic industry. The import volume as considered from DG systems data has been disclosed to

the interested parties in the disclosure statement. It is further noted that the decision of Hon'ble CESTAT in Exotic Décor Pvt. Ltd. And Ors. V. Designated Authority, Directorate General of Anti-Dumping & Allied Duties is not applicable on the disclosure of import data as per DG Systems data, which the Authority is not authorised to disclose.

ASSESSMENT OF DUMPING AND DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

F.1 Submission by other interested parties

39. The opposing interested parties have made the following submissions with regard to assessment of dumping and determination of normal value, export price and dumping margin.
    i. China should be granted market economy status. Normal value should accordingly be calculated according to Article 2 of the WTO Anti-Dumping Agreement using actual Chinese data. The Authority should therefore refrain from employing surrogate country data in this investigation.
    ii. Related-party sourcing and transfer pricing arrangements are normal commercial practices and dumping analysis must be based solely on verified export prices and transaction data. Accordingly, the said allegations were requested to be disregarded.

F.2 Submission by the applicant

40. The applicant has made the following submissions with regard to assessment of dumping and determination of normal value, export price and dumping margin:
    i. China PR should be considered a non-market economy.
    ii. It is contended that Article 15(a)(ii) of China PR’s Accession Protocol has ceased to apply and, therefore, cannot be relied upon in the present investigation. However, Article 15(a)(i) continues to remain applicable and should be duly considered while determining the normal value for China PR.
    iii. The obligation under 15(a)(i) of China PR's Accession Protocol requires the criterion stipulated in para 8 of Annexure I of the Rules to be satisfied by the exporter.
    iv. Since Chinese producers are not entitled to market economy treatment, the Designated Authority should follow para 7 of Annexure I of the Rules for the determination of Normal Value.
    v. In the absence of participation by any producer/exporter from the EU, normal value for the EU may be determined based on the cost of production of 4-ADPA with reasonable addition for profits as proposed by the applicant.

F.3 Examination by the Authority

41. The Authority sent questionnaires to the known producers/exporters from the subject country, advising them to provide information in the form and manner prescribed by the Authority. The following producers and exporters from the subject countries, along with their related exporter and importer in India, have filed the prescribed questionnaire responses.

SN	Name of interested party
a.	Sennics Co., Ltd. (Shandong)
b.	Sennics Co., Ltd. (Anhui)
c.	Sennics Co., Ltd
d.	Lanxess Chemical (China) Co., Ltd.

42. Flexsys Netherlands B.V. is a producer of the subject goods in European Union. The Authority notes that the producer/exporter has not submitted Exporter's Questionnaire response furnishing the required information. The producer from European Union had registered in the present investigation but has not shared any exporter questionnaire response. The interested party did not present any submission during the oral hearing. It should therefore be considered that there is no participation from the European Union.

43. The normal value and export prices for all the producers/exporters from the subject countries have been determined as below,

a. <u>Normal value and export price from China PR.</u>

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

i) The comparable price, in the ordinary course of trade, for the like article, when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or
ii) When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either: (a)comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profit, as determined in accordance with the rules made under sub-section 6);
b) Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transshipped through the country of export or such article is not produced in the country of export oi there

is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

- Normal value

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

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

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

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

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

(b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.

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

(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provision of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO member, that market economy

conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."

46. The applicant had relied upon Article 15(a)(i) of China's Accession Protocol as well as para 7 of Annexure I and claimed that producers in China PR must be asked to demonstrate that market economy conditions prevail in their industry producing the like product with regard to the manufacture, production and sale of the product under consideration. It has been stated by the applicant that in case the responding Chinese producers are not able to demonstrate that their costs and price information are market-driven, the normal value should be calculated in terms of provisions of Para 7 and 8 of Annexure- I to the Rules.

47. It is noted that while the provision contained in Article 15 (a)(ii) has expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO Anti-dumping Agreement read with the obligation under Article 15(a)(i) of the Accession Protocol require criterion stipulated in paragraph 8 of Annexure I of the Rules to be satisfied through the information/data to be provided in the supplementary questionnaire on claiming market economy treatment. It is noted that since the responding producers/exporters from China PR have not submitted a response to the supplementary questionnaire, the normal value computation is required to be done as per the provisions of paragraph 7 of Annexure I of the Rules, which reads as under:

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

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

treatment/supplementary questionnaire to all the known producers/exporters in China PR to provide relevant information in this regard.

49. Para 7 lays down a hierarchy for the determination of normal value and provides that normal value shall be determined on the basis of price or constructed value in a market economy third country, or the price from such a third country to any other country, including India, or where it is not possible, on any reasonable basis, including the price actually paid or payable in India for the like article, duly adjusted, if necessary, to include a reasonable profit margin. Thus, the Authority notes that the normal value is required to be determined having regard to the various sequential alternatives provided under Para 7.

50. The Authority notes that none of the interested parties has provided any information regarding the domestic price or constructed value of the product in an appropriate market-economy third country. The domestic industry had submitted that data relating to cost and price in a market economy third country is not available. With regard to the price at which the product under consideration is exported from the market economy third country to any other country, including India, the domestic industry had submitted that there is no dedicated HS code for the product under consideration in other countries because of which no information was available for the same. Therefore, the normal value could not be determined on this basis.

51. In terms of para 7 of Annexure I to the Rules, the Authority has determined the normal value for China PR on any other reasonable basis, namely the cost of production in India, duly adjusted by the addition of selling, general and administrative expenses and a reasonable profit. The constructed normal value so determined is mentioned in the dumping margin table.

Export price

a. **<u>Sennics Co., Ltd. Anhui, (producer) Sennics Co., Ltd. Shandong (Producer) and Sennics Co., Ltd.-Sennic-HQ (Trader)</u>**

52. It is also noted that the subject goods sold to Sennics Co., Ltd. (Sennics-HQ) China PR by Sennics Co., Ltd., Anhui, Sennics Co., Ltd. (Sennics-HQ) China PR has resold the same subject goods to India indirectly through another unrelated exporter/trader namely, Lanxess Chemical (China) Company Limited. Sennics Co., Ltd. Anhui, and Sennics Co., Ltd. Shandong (hereinafter together known as Sennics China) are producer/exporters of the subject goods from China PR. The two companies are part of the Sennics Group.

53. During the POI, Sennics Co., Ltd., Anhui China PR has sold 2726.00 MT of subject goods of invoice value as 35167750.00 RMB to India indirectly through a related exporter/trader namely, Sennics Co., Ltd. (Sennics-HQ) China PR. Further, Sennics Co., Ltd. (Sennics-HQ) China PR has resold the same subject goods to India indirectly

through another unrelated exporter/trader namely, Lanxess Chemical (China) Company Limited.

54. During the POI, Sennics Co., Ltd., Shandong, China PR has sold 963.50 MT of subject goods of invoice value as 13265750.00 RMB to India indirectly through a related exporter/trader namely, Sennics Co., Ltd. (Sennic-HQ). (Sennics-HQ) China PR has resold the same subject goods to India indirectly through another unrelated exporter/trader namely, Lanxess Chemical (China) Company Limited.

55. Both the producers have sold the subject goods through Sennics,HQ to Lanxess Chemical (China) Co., Ltd which is an unrelated entity. Lanxess Chemical (China) Co., Ltd has then resold the goods to its Indian entity Lanxess India Private Limited which has consumed the goods captively. Adjustments have been allowed, namely ocean freight, marine insurance, inland transportation, port and other related expenses and customs fees as applicable after desk verification. Net export price so arrived is mentioned in the dumping margin table.

b. <u>Non-cooperative producers of China PR</u>

56. The Authority has determined the net export price for non-cooperative producers/exporters on the facts available. The ex-factory export price as determined is shown in the dumping margin table below.

<u>Normal value and export price from European Union</u>

- Normal value, and Export price

57. In the absence of participation by any producer/exporter from the European Union, the Authority has determined normal value, and export price for EU based on facts available. The normal value has been determined considering the cost of production in India, duly adjusted, after addition for the selling, general & administrative expenses, and the reasonable profits.

58. The net export price has also been determined on the basis of facts available. The ex-factory normal value and net export price as determined is shown in the dumping margin table below.

<u>Dumping margin for related producers and Exporters</u>

59. It is noted that in the subject investigations many cooperating producers and exporters are related to each other and form a group of related companies. It has been a consistent practice of the Authority to consider related exporting producers and exporters as one single entity for the determination of a dumping margin and thus to establish one single dumping margin for them. This is in particular because calculating individual dumping margins might encourage circumvention of antidumping measures, thus rendering them

ineffective, by enabling related exporting producers to channel their exports to India through the company with the lowest individual dumping margin.

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

c. <u>Dumping margin</u>

61. The normal value/ Constructed Normal Value, export price and dumping margin determined in the present investigation are as follows

SN	Country	Producer / Exporter	Constructed Normal Value (USD/MT)	NEP (USD /MT)	Dumping Margin (USD/MT)	Dumping Margin (%)	Dumping Margin Range
A	**China PR**						
1	China PR	Sennics Co., Ltd. Anhui and Sennics Co., Ltd. Shandong	***	***	***	***	60-70
2	China PR	Any other producer	***	***	***	***	70-80
B	**European Union**						
1	European Union	Any	***	***	***	***	10-20

F. ASSESSMENT OF INJURY AND CAUSAL LINK

G.1 Submission by other interested parties

62. The opposing interested parties have made the following submissions with regard to assessment of injury and causal link:

i. That injury arising from captive consumption cannot be attributed to imports, as captive transfers do not constitute market sales. It was submitted that any adverse performance relating to captive consumption may be attributable to internal inefficiencies, low-capacity utilisation, high fixed costs, internal transfer pricing and business decisions. It was further submitted that any correlation between imports of 4-ADPA and production, sales and profitability of PX-13 is not relevant for product-specific injury determination.

ii. That the claims regarding lost sales and projected profitability are speculative and unsupported by customer-wise evidence of displacement or price effects. It was further submitted that imports from China PR increased only marginally, while imports from the subject countries declined during the POI, including in relative terms.

iii. That the Domestic Industry has been manufacturing 4-ADPA since 2015-16 and has experienced capacity underutilization for a prolonged period, which cannot be attributed solely to imports during the POI. It was further submitted that the Domestic Industry's sales volume and gross sales value increased during the POI as compared to 2021-22, while its sales growth exceeded the growth in overall non-captive demand. Average inventory, inventory in terms of days of production and days of sales also declined during the POI.

iv. That the decline in net profit was primarily attributable to an increase in depreciation and interest costs, while profit before depreciation, interest and tax increased during the POI. It was also submitted that the increase in employees, wages and capital employed indicates continued investment and expansion of operations.

v. That the relatively small scale of operations of the Domestic Industry, compared with global producers, may result in higher costs and lower profitability due to limited economies of scale. It was further submitted that any adverse performance in captive consumption may be attributable to internal transfer pricing, downstream market conditions and commercial decisions. The interested party also submitted that the alleged injury may be attributable to increased downstream competition following the loss of the Domestic Industry's earlier monopoly position.

vi. That 4-ADPA does not have a significant independent merchant market in India and is predominantly consumed captively, with only limited quantities being sold to Lanxess. It was further submitted that imports by Lanxess were made pursuant to long-standing sourcing arrangements and not on account of allegedly dumped prices. Accordingly, the interested party requested that the Authority examine the injury and causation claims in light of the captive nature of 4-ADPA, developments in the downstream PX-13 market, import trends and other known factors.

vii. The opposing parties are of the opinion that the investigation is legally flawed and discriminatory as it fails to include Japan, the USA, and Korea RP as subject countries. While individually below the 3% import share threshold, these countries collectively account for 7.28% of total imports, exceeding the 7% threshold mandated for inclusion under Annexure II, Para (iii) of the Anti-Dumping Rules. Their exclusion violates the non-discriminatory principle of the WTO Anti-Dumping Agreement.

G.2 Submission by the applicant

63. The applicant has made the following submissions with regard to assessment of injury and causal link:

i. That captive consumption and captive performance should be considered in the injury analysis, as the availability of dumped 4-ADPA to other domestic PX-13 producers enables them to produce and sell PX-13 at lower prices, thereby affecting the applicant's PX-13 production, costs and the commercial viability of captive 4-ADPA. The applicant relied upon WTO jurisprudence and previous findings of the Authority where captive consumption was considered for injury analysis. It was further submitted that duties on PX-13 alone may be ineffective if 4-ADPA continues to be available at dumped prices, and vice versa, as continued dumping of either product would constrain the applicant's sales and prices in the downstream market.

ii. That imports of 4-ADPA increased during the injury period in absolute and relative terms, with the marginal decline during the POI being attributed to increased imports of PX-13. It was further submitted that the applicant's PX-13 production declined when imports of 4-ADPA increased and continued to remain under pressure thereafter. The applicant also submitted that demand for 4-ADPA is directly linked to demand for PX-13.

iii. That price undercutting was negative during the POI only because it offered highly competitive prices to secure a large order, and that its selling prices remained depressed. Despite sufficient capacity, production and capacity utilisation declined during the injury period, with only a marginal improvement during the POI. Domestic sales also declined in the initial years due to lower captive consumption, while other PX-13 producers allegedly increased their market share using dumped 4-ADPA. The applicant submitted that the subsequent increase in domestic sales was attributable to its own efforts to secure orders.

iv. That it suffered significant loss of sales and market share during the injury period and that its actual sales remained substantially below its potential sales. It was submitted that the applicant could have achieved domestic sales of more than ₹230 crore at fair selling prices, compared with actual sales of approximately ₹14 crore during the POI. The applicant also submitted that its market share remained below 10% in the merchant market despite having sufficient capacity, and that such low market share has been accepted by the Authority in other investigations.

v. That inventory levels increased over the injury period, despite a marginal decline during the POI, while profitability and ROCE remained negative in several years, including the POI. It was argued that the positive profitability in 2022-23 was due to the higher prices of imports from Europe. The applicant further submitted that even offers below import prices did not result in orders from consumers, although such orders could have generated positive contribution and improved cash flows.

vi. That its growth declined significantly in terms of both volume and price parameters, and that the dumping margin was above the de minimis level and significant. Accordingly, it was submitted that the trends in imports, prices, production, capacity utilisation, sales, market share, inventory and profitability establish injury and a causal link with the dumped imports.

G.3 <u>Examination by the Authority</u>

64. Rule 11 of Anti-dumping Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, "*... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on the domestic producers of such articles*...". In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Rules.

65. It has been contended that the domestic industry's production has declined, leading to an increase in the cost of production and, consequently, injury. The Authority has examined the effect of the decline in captive consumption on the production of the domestic industry in the non-attribution analysis below, and has not attributed to the dumped imports that part of the decline in production which arises from lower captive consumption.

66. Para (iii) of Annexure II of the Rules deals with cumulative analysis of imports. It reads as follows:

> *(iii) In cases where imports of a product from more than one country are being simultaneously subjected to antidumping investigation, the designated authority will cumulatively assess the effect of such imports, only when it determines that, -*
>
> *(a) the margin of dumping established in relation to the imports from each country is more than two per cent. expressed as a percentage of export price and the volume of the imports from each country is three per cent. of the import of like article or where the export of individual countries is less than three per cent., the imports collectively account for more than seven per cent. of the import of like article; and**

(b) a cumulative assessment of the effects of the imports is appropriate in light of the conditions of competition between the imported products and the conditions of competition between the imported products and the like domestic product.

67. The Authority will cumulatively assess the effect of such imports, in case it determined that:
    a. The margin of dumping established in relation to the imports from each country is more than two percent expressed as a percentage of export price and the volume of the imports from each country is three percent (or more) of the import of the like article or where the export of individual countries is less than three percent, the imports collectively account for more than seven percent of the imports of the like article, and
    b. Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic article.

68. The Authority notes that:
    a. The subject goods are being dumped into India from the subject countries. The margin of dumping from each of the subject countries is more than the de minimis limits prescribed under the Rules.
    b. The volume of imports from each of the subject countries is individually more than 3% of the total volume of imports.
    c. Cumulative assessment of the effects of imports is appropriate as the imports from the subject countries not only directly compete with the like articles offered by each of them but also the like articles offered by the domestic industry in the Indian market.
    d. There were no imports of the product under consideration from countries other than the subject countries during the period of investigation.

69. In view of the above, the Authority considers it appropriate to cumulatively assess the effects of dumped imports of the product under consideration from the subject countries on the domestic industry.

70. It has been contended that the injury suffered by the domestic industry is attributable to the dumping of PX-13 and that the imposition of anti-dumping duty on PX-13 would remedy such injury. It is noted that the domestic industry has suffered material injury in its PX-13 operations and vide Final Findings No. 6/10/2025-DGTR dated 24.06.2026, the Authority has recommended the imposition of anti-dumping duty on dumped imports of PX-13. The domestic industry has claimed that dumping of 4 ADPA is also impacting its performance of PX-13 as it is unable to compete with other producers of PX-13. The domestic industry has also furnished information demonstrating how the imposition of anti-dumping duty would address the injury suffered in respect of both PX-13 and 4-ADPA. However, while the imposition of duty on PX-13 is expected to partially remedy

the injury in respect of PX-13, the performance of the domestic industry would continue to remain suboptimal. In the present investigation, the Authority has confined its examination to the operations relating to 4-ADPA, and the injury analysis set out below pertains solely to 4-ADPA.

G.3.1 <u>Assessment of demand/apparent consumption</u>

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

SN	Particulars	Units	2021-22	2022-23	2023-24	POI
1	Sales of domestic industry	MT	***	***	***	***
2	Trend	Indexed	100	22	130	341
3	Sale of other Indian producers	MT	-	-	-	-
4	Trend	Indexed	-	-	-	-
5	Imports from subject countries	MT	**4,103**	**6,850**	**7,424**	**7,682**
6	Trend	Indexed	100	167	181	187
7	Imports from other countries	MT	88	-	-	-
8	Trend	Indexed	100	-	-	-
9	Demand/consumption excluding captive	MT	***	***	***	***
10	Trend	Indexed	100	158	175	189
11	Captive consumption	MT	***	***	***	***
12	Trend	Indexed	100	97	82	86
13	Demand/consumption including captive	MT	***	***	***	***
14	Trend	Indexed	100	112	104	111

72. It is seen that:
    a. Demand/consumption excluding captive consumption increased consistently over the injury period, from index 100 in 2021-22 to index 189 in the period of investigation.
    b. Demand/consumption including captive consumption increased in 2022-23, declined in 2023-24 and increased again in the period of investigation, moving from index 100 to index 111 over the injury period.

73. It is seen that there are only three users of the product in the domestic market – Lanxess India Private Limited, Finorchem India Limited and domestic industry. The domestic industry sells in the domestic market, and captively consumes the product also. All the three entities use the product to produce PX-13. It is seen that in the period of investigation, Finorchem India Limited has purchased entire material from European Union and Lanxess India Private Limited has purchased from the domestic industry as well as China.

G.3.2 <u>Volume effect of the dumped imports</u>

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

SN	Particulars	Units	2021-22	2022-23	2023-24	POI
1	Subject countries	MT	4,103	6,850	7,424	7,682
2	Trend	Indexed	100	167	181	187
3	Other countries	MT	88	-	-	-
4	Trend	Indexed	100	-	-	-
	Imports from subject countries in relation to					
5	India production	%	***	***	***	***
6	Trend	Indexed	100	170	217	217
7	Indian demand (including captive)	%	***	***	***	***
8	Trend	Indexed	100	148	174	165
9	Indian demand (excluding captive)		***	***	***	***
10	Trend	Indexed	100	106	103	99
11	Total imports	%	98%	100%	100%	100%
12	Trend	Indexed	100	102	102	102

75. It is seen that imports from the subject countries increased from 4,103 MT in 2021-22 to 6,850 MT in 2022-23, increased further to 7,424 MT in 2023-24, and thereafter increased to 7,682 MT during the POI. The Authority notes that imports from the subject countries increased consistently throughout the injury period.

76. Imports in relation to Indian production increased consistently from ***% in 2021-22 to ***% in 2022-23 and further to ***% in 2023-24, and remained at ***% during the POI. Imports in relation to Indian demand, including captive consumption, increased from ***% in 2021-22 to ***% in 2022-23 and ***% in 2023-24, before declining to ***% during the POI.

77. The Authority notes that imports from the subject countries increased by 87% in absolute terms over the injury period, against an increase of 11% in Indian demand including captive consumption. Their share of Indian demand including captive consumption accordingly rose from ***% to ***%, and their volume in relation to Indian production rose from ***% to ***%. Throughout the injury period the subject imports accounted for between ***% and ***% of the non-captive market. The Authority accordingly holds that imports from the subject countries have increased significantly over the injury period, both in absolute terms and in relation to production and consumption in India.

G.3.3 <u>Price effect of the dumped imports</u>

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

a. **Price undercutting**

79. For the purpose of price undercutting analysis, the net selling price of the domestic industry has been compared with the landed price of imports from the subject countries. Accordingly, the price effects of the dumped imports from the subject countries are as follows:

SN	Particulars	Units	China PR	EU	Subject countries
1	Import volume	MT	3,666	4,016	7,682
2	Net sales realization	Rs/MT	***	***	***
3	Landed price	Rs/MT	2,35,386	2,47,671	2,41,808
4	Price undercutting	Rs/MT	***	***	***
5	Price undercutting	%	***	***	***
6	Price undercutting	Range	Negative	Negative	Negative

80. The Authority notes that the price undercutting is negative in respect of both China PR *** and the European Union *** and is also negative on a weighted average basis ***. The domestic industry has submitted that the negative price undercutting is attributable to the highly competitive prices offered by it to one of its consumers for securing a large-

volume order. It has further submitted that, although such prices were below the cost of production and resulted in losses, the selling prices remained above the variable cost and thereby generated a positive contribution towards fixed costs. The Authority has taken note of the submissions of the domestic industry in this regard.

b. Price suppression/depression

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

SN	Particulars	Units	2021-22	2022-23	2023-24	POI
1	Selling price	Rs/MT	***	***	***	***
2	Trend	Indexed	100	160	128	109
3	Change	Rs/MT	***	***	***	***
4	Cost of sales	Rs/MT	***	***	***	***
5	Trend	Indexed	100	141	130	112
6	Change	Rs/MT	***	***	***	***
7	Landed price	Rs/MT	2,16,037	3,05,475	2,48,747	2,41,808
8	Trend	Indexed	100	141	115	112
9	Change	Rs/MT	-	89,438	-56,728	-6,939

82. It is seen that,

i. In the base year, the selling price, cost of sales, and landed price of imports were comparable, with the landed price marginally above the cost of sales. In 2022-23, while the cost of sales increased by 41 index points, the selling price increased by 60 index points. This was the year in which the selling price of the domestic industry rose above its cost of sales.

ii. In 2023-24, while the cost of sales declined by 11 index points, the selling price declined by 32 index points. The domestic industry again suffered losses.

iii. In the period of investigation, while the cost of sales declined by 18 index points, the selling price declined by 19 index points. The losses of the domestic industry are highest in the period of investigation.

iv. The landed price of imports was above the cost of sales of the domestic industry in 2022-23 but has declined since and is below the cost of sales in 2023-24.

v. When compared to the immediately preceding year, the selling price has declined in the period of investigation, which reflects that the selling prices of the domestic industry are depressed in the period of investigation.

vi. When compared to the base year, the selling price of the domestic industry increased by 9 index points against a 12 index point increase in its cost of sales, showing that it has been unable to raise its prices so as to recover its costs. The landed price of the subject imports was ₹***/MT below the cost of sales of the domestic industry in 2023-24 and only ₹***/MT above it in the period of investigation — a level at which the cost of sales cannot be recovered, much less a reasonable return earned. The prices of the domestic industry are accordingly suppressed.

83. The Authority notes that the subject imports, holding a share of between 93% and 99% of the merchant market throughout the injury period, set the price at which the product under consideration was available in India. That price was ₹***/MT below the cost of sales of the domestic industry in 2023-24 and only ₹***/MT above it in the period of investigation, leaving the domestic industry no room to price at a level recovering its cost of sales and a reasonable return; it in fact sold at ₹***/MT below the landed price of the subject imports and ₹***/MT below its own cost of sales. The Authority accordingly holds that the prices of the domestic industry are suppressed. The Authority further notes that in the period of investigation the selling price of the domestic industry declined by 19 index points against an 18-index point decline in its cost of sales, while the landed price of the subject imports also declined by ₹ ***/MT, and accordingly holds that its prices are also depressed.

G.3.4 Economic parameters of the domestic industry

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

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

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

SN	Particulars	Units	2021-22	2022-23	2023-24	POI
1	Capacity	MT	***	***	***	***
2	Trend	Indexed	100	100	100	100
3	Production	MT	***	***	***	***

4	Trend	Indexed	100	98	83	86
5	Capacity Utilization	%	***	***	***	***
6	Trend	Indexed	100	98	83	86
7	Domestic Sales	MT	***	***	***	***
8	Trend	Indexed	100	22	130	341
9	Captive consumption	MT	***	***	***	***
10	Trend	Indexed	100	97	82	86

86. It is seen that:

a. The capacity of the domestic industry remained the same throughout the injury period and is more than the domestic demand. The production and the capacity utilization of the domestic industry declined in 2022-23 compared to 2021-22. The production and capacity utilization of the domestic industry further declined in 2023-24. Production and capacity utilization have marginally increased in the period of investigation as compared to 2023-24. Over the injury period, the production and capacity utilisation of the domestic industry have significantly declined.

b. The idle capacity with the domestic industry is more than the imports from the subject countries.

c. The domestic sales of the domestic industry declined in 2022-23 in comparison to 2021-22. Domestic sales increased in 2023-24 and in the period of investigation. While the demand has increased, the domestic sales have increased marginally. The domestic industry has stated that it was able to sell increased volume to its customers in the period of investigation as it sold at prices much below its cost.

d. That despite operating with significant idle capacities, the domestic industry has been able to sell very limited volumes throughout the injury period as there are significant imports.

e. The domestic industry has claimed that dumping of 4 ADPA is also adversely affecting its sales of PX-13 where it is competing with dumped imports of PX-13 and other producers of PX-13 who consume dumped 4 ADPA. It is seen that the domestic industry captively consumes the product to make PX-13 and sells in the domestic market with the other producers of PX-13 who rely on imported 4 ADPA to produce PX-13.

b. Market share

87. The market share of the domestic industry and imports into India, measured with reference to demand/consumption excluding captive consumption, and including captive consumption, is shown in the table below:

SN	Particulars	Units	2021-22	2022-23	2023-24	POI
1	Domestic Industry	%	***	***	***	***
2	Trend	Indexed	100	14	77	197
3	Subject Countries	%	***	***	***	***
4	Trend	Indexed	100	103	101	96
5	Other Countries	%	***	***	***	***
6	Trend	Indexed	-	-	-	-

Table including captive consumption

SN	Market share	Units	2021-22	2022-23	2023-24	POI
1	Domestic industry	%	***	***	***	***
2	Trend	Indexed	100	86	79	80
3	Other Indian producer	%	***	***	***	***
4	Trend	Indexed	-	-	-	-
5	Imports from subject countries	%	***	***	***	***
6	Trend	Indexed	100	149	173	168
7	Imports from other countries	%	***	***	***	***
8	Trend	Indexed	100	-	-	-

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

i. In respect of the non-captive market, it is observed that the market share of the domestic industry, in indexed terms, declined sharply from 100 in 2021-22 to 14 in 2022-23, and thereafter increased to 77 in 2023-24 and further to 197 in the period of investigation. However, notwithstanding such increase, the market share of the domestic industry remained in single digits, in percentage terms, throughout the injury period.

ii. Correspondingly, it is noted that the market share of subject imports in the non-captive market remained overwhelmingly dominant throughout the injury period. The index for market share of subject imports moved from 100 in 2021-22 to 103 in 2022-23, and thereafter declined marginally to 101 in 2023-24 and further to 96 in the period of investigation. In percentage terms, the market share held by subject imports ranged between ***% to ***% during the injury period.

iii. The market share of imports from other countries in the non-captive market remained nil/negligible throughout the injury period.

iv. As regards the market including captive consumption, it is noted that the market share of the domestic industry declined consistently, in indexed terms, from 100 in 2021-22 to 86 in 2022-23 and further to 79 in 2023-24, with a marginal increase to 80 noted in the period of investigation. In percentage terms, the market share of the domestic industry declined from ***% in 2021-22 to ***% in the period of investigation.

v. Correspondingly, the market share of subject imports (including captive consumption) increased, in indexed terms, from 100 in 2021-22 to 149 in 2022-23 and further to 173 in 2023-24, and thereafter declined marginally to 168 in the period of investigation. In percentage terms, the market share of subject imports increased from ***% in 2021-22 to ***% in the period of investigation.

vi. There was no other Indian producer of the subject goods during the injury period. Imports from other countries (including captive consumption) were noted only in 2021-22 and were absent in the subsequent years.

vii. The Authority thus notes that the domestic industry has consistently lost market share to imports from the subject countries over the injury period, both in the non-captive market as well as in the overall market including captive consumption, notwithstanding the marginal recovery observed in the period of investigation. The market share held by the subject countries continues to remain significantly higher than that of the domestic industry, establishing that subject imports continue to dominate the Indian market.

c. Inventories

SN	Particulars	Units	2021-22	2022-23	2023-24	POI
1	Opening Inventory	MT	***	***	***	***
2	Trend	Indexed	100	95	457	633
3	Closing Inventory	MT	***	***	***	***
4	Trend	Indexed	100	481	667	111
5	Average Inventory	MT	***	***	***	***
6	Trend	Indexed	100	283	559	379

89. It is seen that the average inventory of the domestic industry increased sharply between 2021-22 and 2023-24, from index 100 to 559, before declining in the period of investigation to index 379. While inventory levels moderated in the period of investigation, they remain significantly elevated compared to the base year, notwithstanding the increase in demand for the product under consideration

d. Profitability, cash profits and return on capital employed

SN	Particulars	Units	2021-22	2022-23	2023-24	POI
1	Profit/(Loss)	Rs. Lakhs	***	***	***	***
2	Trend	Indexed	-100	1,482	-1,348	-4,461
3	PBIT	Rs. Lakhs	***	***	***	***
4	Trend	Indexed	-100	2,063	-1,763	-5,904
5	Cash Profit	Rs. Lakhs	***	***	***	***
6	Trend	Indexed	100	128	120	245
7	Return on Investment	%	***	***	***	***
8	Trend	Indexed	-100	8,805	-971	-1,776

90. It is seen that,

a. The domestic industry's profit turned positive in 2022-23, before reverting to losses in 2023-24, with the losses widening further in the period of investigation. The domestic industry has submitted that the profits earned in 2022-23 were attributable to the Zero Covid Policy in China and the global freight issue, on account of which imports were not available throughout the year, enabling the domestic industry to secure better prices.

b. PBIT mirrored the movement in profit, turning positive in 2022-23 before declining into losses in 2023-24, which widened further in the period of investigation.

c. Cash profits, however, increased in 2022-23, declined marginally in 2023-24, and increased further in the period of investigation; this improvement, though, does not offset the losses recorded at the PBIT and net-profit level.

d. Return on investment followed the same trend as profit and PBIT — improving in 2022-23, before turning negative in 2023-24 and declining further in the period of investigation.

e. The domestic industry has thus suffered financial losses and negative return on capital employed during the period of investigation.

e. Employment, productivity and wages

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

SN	Particulars	Units	2021-22	2022-23	2023-24	POI
1	No of Employees	No	***	***	***	***
2	Trend	Indexed	100	109	100	104
3	Production per employee	MT/No	***	***	***	***
4	Trend	Indexed	100	90	83	82
5	Production per day	MT/Days	***	***	***	***
6	Trend	Indexed	100	98	83	86
7	Wages	Rs Lakhs	***	***	***	***
8	Trend	Indexed	100	109	113	112

92. It is seen that:
   a. The number of employees with the domestic industry has remained broadly stable over the injury period.
   b. Production per day and per employee has declined over the injury period with a decline in the production.
   c. Wages paid by the domestic industry has increased over the injury period.

f. Growth

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

SN	Particulars	Unit	2022-23	2023-24	POI
1	Capacity Utilization	%	-2%	-15%	3%
2	Production	%	-2%	-15%	3%
3	Domestic sales	%	-78%	480%	163%
4	Profit/(Loss)-Rs. /MT	%	-6714%	-116%	26%
5	PBIT-Rs. in Lakhs	%	-2163%	-185%	-235%
6	Cash Profit – Rs. in Lakhs	%	28%	-6%	103%

94. In the period of investigation, production increased marginally by 3%, after having declined by 2% in 2022-23 and by 15% in 2023-24. Domestic sales, after declining sharply by 78% in 2022-23, increased by 480% in 2023-24 and further by 163% in the POI; however, this apparent growth is on a very low base and the absolute sales volumes remain low. Profitability parameters exhibited a volatile trend. Profit/(Loss) per MT increased steeply by 6714% in 2022-23, but thereafter declined by 116% in 2023-24 and by a further 26% in the POI. Similarly, PBIT increased by 2163% in 2022-23, but declined by 185% in 2023-24 and further declined by 235% in the POI. Cash profit, however, increased by 28% in 2022-23, declined by 6% in 2023-24, and thereafter improved by 103% in the POI. Thus, while production and domestic sales showed some recovery and cash profit registered improvement in the POI, the profit and PBIT of the domestic industry continued to show significant deterioration during the period of investigation.

g. Ability to raise capital investment

95. The Authority notes that the domestic industry had recorded losses in the period of investigation. It is also seen that the return on capital employed by the domestic industry is negative, which is not sufficient to raise the working capital requirements. Therefore, the ability of the domestic industry to raise capital investments has been impacted.

h. Factors affecting prices

96. The Authority notes that the landed price of the subject imports was below the cost of sales of the domestic industry in 2023-24 and only marginally above it in the period of investigation. Against subject imports holding between 93% and 99% of the merchant market at those prices, the domestic industry sold at ₹***/MT below the landed price and ₹***/MT below its own cost of sales, and suffered losses. For the reasons recorded at paras 82 and 83 above, the dumped imports are the predominant factor affecting the prices of the domestic industry.

i. Magnitude of dumping

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

G.3.5 Observations on injury

98. The examination of the imports of the product under consideration and performance of domestic industry shows that:

i. The imports from the subject countries have increased from 4,103 MT in the base year to 7,682 MT in the period of investigation. The imports have increased in absolute terms.
ii. The imports in relation to Indian production increased from ***% in the base year to ***% in the period of investigation. The imports in relation to Indian demand including captive consumption increased from ***% in the base year to ***% in the period of investigation. The imports have increased in relative terms.
iii. The landed price is above the selling price of the domestic industry, resulting in negative price undercutting. However, the domestic industry has admitted that it sold at such competitive prices to sell in the domestic market.
iv. The prices of the domestic industry were depressed in the period of investigation.
v. The production, and capacity utilization of the domestic industry declined during the injury period.
vi. The domestic sales of the domestic industry have increased over the injury period. The domestic industry has sold at increasing losses to sell its product in the domestic market.
vii. The market share of the domestic industry has declined in 2022-23 and increased thereafter. The market share of the domestic industry has increased as the domestic industry has sold at losses in the period of investigation.
viii. The average inventory increased over injury period.
ix. Profitability of the domestic industry improved in 2022-23, with ROI reaching ***%; however, this improvement was not sustained. Profitability turned negative in 2023-24 and deteriorated further during the POI, with ROI declining to ***%.
x. Cash profit of the domestic industry improved in 2022-23, declined marginally in 2023-24 and thereafter improved significantly during the POI. Return on investment

improved in 2022-23 but turned negative in 2023-24 and further deteriorated during the POI.

xi. The domestic industry's ability to raise capital has been adversely impacted.

xii. The dumped imports have adversely affected the prices of the domestic industry.

xiii. The dumping margin is positive and significant during the period of investigation.

G.4 Threat of material injury

99. The applicant had alleged, at the stage of initiation, both material injury and threat of material injury to the domestic industry. The Authority has, for the reasons recorded above, found that the domestic industry has suffered material injury on account of the dumped imports from the subject countries. In view of this finding of present material injury, the Authority does not consider it necessary to examine and record a separate determination on the threat of material injury.

H. NON-ATTRIBUTION AND CAUSAL LINK

100. As per the Rules, it is, inter alia, required to be examined any known factors other than the dumped imports which at the same time are injuring the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. It has been examined below whether factors other than dumped imports could have contributed to injury to the domestic industry. The Authority initially notes neither the Act nor the Rules require dumping to be the sole cause of injury to the domestic industry for anti-dumping duty to be applied.

a. Volume and price of imports from third countries

101. The Authority notes that there were no imports of the product under consideration from countries other than the subject countries during the period of investigation, imports of 88 MT from other countries having been recorded only in 2021-22. Therefore, imports from other countries cannot be a cause of injury to the domestic industry.

b. Contraction of demand

102. The Authority notes that demand has increased over the injury period and therefore injury to the domestic industry is not attributed to the contraction of demand. Demand increased during the Period of Investigation, both including and excluding captive consumption.

c. Changes in pattern of consumption

103. The Authority notes that there has been no material change in the pattern of consumption of the product under consideration, which could have caused injury to the domestic industry.

d. Trade restrictive practices

104. The Authority notes that sales of the product under consideration are not restricted in any manner and no restrictive practices have been brought to the notice of the Authority.

e. Developments in technology

105. The Authority notes that there has been no known material change in the technology for the production of the product under consideration.

f. Productivity

106. Productivity per employee and per day declined over the injury period in line with the decline in production. The decline in productivity is a consequence of the reduced production and capacity utilization caused by the dumped imports, rather than an independent factor causing injury to the domestic industry. In the absence of dumped imports, the domestic industry would have been able to operate at higher capacity utilization, leading to better productivity levels. Accordingly, the Authority holds that productivity is not an independent cause of injury to the domestic industry, but rather a symptom of the injury caused by dumped imports.

g. Export performance

107. The Authority notes that the injury information examined hereinabove relates only to the performance of the domestic industry in terms of the domestic market. Thus, the injury suffered cannot be attributed to the export performance of the domestic industry.

h. Performance of other products

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

i. Decline in captive consumption

109. It has been contended that the deterioration in the performance of the domestic industry is attributable to the decline in its captive consumption for the production of PX-13. The Authority notes that the captive consumption of the domestic industry declined from *** MT in 2021-22 to ***MT in the period of investigation, and that the decline in its production over the same period, from ***MT to ***MT, is largely accounted for by that decline. The Authority has accordingly not attributed to the dumped imports that part of the decline in production and capacity utilisation which arises from lower captive consumption. The price and profitability parameters of the domestic industry, on the other hand, have been examined with reference to its merchant sales, as recorded at para 17 above, and are not affected by the level of its captive consumption. The adverse price effects, the losses and the negative return on capital employed in the merchant segment, the single-digit market share of the domestic industry in the merchant market, and the share of between ***% and ***% of that market held by the subject imports throughout the injury period are not explained by the decline in captive consumption, and are attributable to the dumped imports.

j. Causal link between dumping and injury.

110. The factors listed above clearly establish that injury to the applicant has not been caused by the other listed factors but because of dumped imports from the subject countries. The causal link between the dumped imports and the material injury suffered by the domestic industry is evident from the following:

a. The imports from the subject countries are at dumped prices, with positive and significant dumping margins during the period of investigation. While the price undercutting on a landed price basis is negative, the presence of low-priced dumped imports has prevented the domestic industry from increasing its prices commensurate with the increase in its costs, resulting in price suppression, as evidenced by the fact that the domestic industry's cost of sales increased at a materially higher rate than its selling price over the injury period.

b. The volume of dumped imports has increased consistently over the injury period, both in absolute terms and in relation to production and consumption in India, indicating that consumers have increasingly shifted their sourcing to the subject countries at dumped prices.

c. Despite the availability of adequate domestic production capacity, imports from the subject countries increased consistently throughout the injury period, including in the Period of Investigation, demonstrating that the domestic industry's capacity remained underutilized notwithstanding its ability to meet demand.

d. The market share of the domestic industry declined in the initial years and, despite a marginal recovery in the Period of Investigation, remained significantly below its potential and far lower than the capacity of the domestic industry, while the market share of subject imports remained overwhelmingly dominant throughout the injury period.

e. Captive consumption of the domestic industry declined in the initial years of the injury period and, despite a marginal recovery in the Period of Investigation, remained below base-year levels. To offset this decline, the domestic industry increased its merchant sales in volume terms; however, such sales were made at prices below cost, indicating that the domestic industry was compelled to sell at uneconomic prices to compete with dumped imports, thereby eroding its profitability and financial viability.

f. The lower prices of the dumped imports have influenced purchasing decisions of consumers, who have preferred to source from subject countries rather than from the domestic industry, despite the availability of sufficient domestic production capacity.

g. The domestic industry has been compelled to price its product in competition with the dumped imports, resulting in price suppression and depression, as the landed price of imports remained close to and, in certain years, below the cost of sales.

h. The domestic industry has suffered financial losses, losses before interest, and negative return on investment during the injury period, which are a direct consequence of the dumped imports and not attributable to any other known factor

i. The Authority notes that the injury to the domestic industry has occurred contemporaneously with the increase in dumped imports from the subject countries, and that the examination of other known factors — namely, imports from third countries, contraction in demand, changes in the pattern of consumption, trade restrictive practices, developments in technology, productivity, export performance, and performance of other products — has not revealed the existence of any factor, other than the dumped imports, that could have caused injury to the domestic industry. The Authority has, accordingly, satisfied itself that the material injury suffered by the domestic industry is on account of the dumped imports of the subject goods from the subject countries and not on account of any other listed factor.

I. MAGNITUDE OF INJURY MARGIN

111. The Authority has determined Non-Injurious Price for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The non-injurious price of the subject goods has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The non-injurious price has been considered for comparing the landed price from the subject countries for calculating the injury margin. For determining the non-injurious price, the best utilization of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilization of production capacity over the injury period has been considered. It is ensured that no extraordinary or non-recurring expenses are charged to the cost of production. A reasonable return @22% on average capital employed (i.e. average net fixed assets plus average working capital) for the subject goods was followed towards interest, tax and profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules.

112. Landed price for the cooperating exporters has been determined based on the response filed. Applicable customs duties have been added to determine landed price of imports. For all the non-cooperative producers/exporters from the subject countries, the Authority has determined the landed price based on facts available.

113. Based on the landed price and non-injurious price determined as above, the injury margin for producers/exporters for the subject countries has been determined by the Authority and the same is provided in the table below:

SN	Country	Producer / Exporter	NIP (USD/ MT)	Landed value (USD/MT)	Injury Margin (USD/MT)	Injury Margin (%)	Injury Margin Range
A	**China PR**						
1	China PR	Sennics Co., Ltd. Anhui and Sennics Co., Ltd. Shandong	***	***	***	***	10–20
2	China PR	Any other producer	***	***	***	***	10-20
B	**European Union**						
1	European Union	Any	***	***	***	***	10–20

J. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

J.1 Submission by opposing interested parties

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

i. The downstream users rely on imports primarily due to domestic supply shortages. The applicant's low-capacity utilization and intermittent production suspensions during the period of investigation left users with no choice but to source from abroad. After the captive transfer of the subject goods for its own consumption, the domestic industry's capability to cater to Indian demand gets severely limited. Thus, the users of the subject goods in the country cannot rely upon the domestic industry for their regular consumption of the subject goods.

ii. Higher 4-ADPA costs would affect investment and innovation in the downstream sector, weakening India's global competitiveness. Imposition of anti-dumping duties on 4-ADPA would impose a severe cost burden on downstream users, where 4-ADPA constitutes a significant raw material proportion and duty directly inflates Cost of Goods Sold(COGS) without revenue offset.

iii. 4-ADPA is a critical input for downstream industries including pharmaceuticals, agrochemicals, water treatment, textiles, and adhesives. Imposing anti-dumping duties on 4-ADPA would raise input costs for downstream manufacturers, who cannot pass on the increased costs to end-consumers, affecting their competitiveness.

iv. Quantitative evidence shows that a 15% duty would translate to approximately 11% effective cost escalation on downstream operations, factoring in pass-through limitations, fixed margins, and supply chain dependencies, thereby significantly harming downstream users, eroding profitability, production, and export market share.

v. The imposition of anti-dumping duties will lead to trade diversion. Imports from subject countries will be replaced by imports from non-subject countries like Japan, the USA, and Korea RP, which are already supplying at competitive prices. This will provide no benefit to the domestic industry, which will continue to face the same competitive pressures, rendering the duty ineffective.

vi. The proposed duty would distort competition in favour of the applicant, which has captive access to 4-ADPA, while increasing costs for competing domestic PX-13 producers. The practical effect of the duty would be to shift injury from the petitioner to other domestic producers rather than create a level playing field.

vii. It is further claimed that the imposition of duty would endanger approximately 2.5 lakh jobs in the downstream chemical sector, affecting investment and innovation in the sector.

viii. Related-party sourcing and transfer pricing arrangements are normal commercial practices and dumping analysis must be based solely on verified export prices and transaction data.

J.2 <u>Submission by the applicant</u>

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

i. The product under consideration is a penultimate intermediate primarily used in the production of PX-13. The product under consideration forms 60-70% share in the cost of PX-13. Therefore, a 10% duty on the product under consideration will imply increase in cost of the downstream product by 6%. However, the PX-13 producer would pass on the increase in the cost to the downstream industry, i.e., tyre industry. PX-13 is majorly used in the production of the tyre. PX-13 forms less than 1% share in the total cost of production of tyre. Therefore, impact of duty on the product under consideration on the downstream industry tyre producers will be negligible.

ii. The direct downstream industry of the product under consideration, i.e., PX-13 is currently subject to anti-dumping investigation on imports from China PR, EU, Korea RP and Thailand. With the imposition of anti-dumping duty on PX-13, the downstream industry would be able to pass on the increase in the cost to its further downstream industry, i.e., the tyre industry. The tyre industry is protected through anti-subsidy duty on tyre expiring only in July 2029. In addition to that, the imports of tyre are restricted and requires a BIS license.

iii. The capacity for the product under consideration is more than the downstream product - PX-13. Therefore, the applicant will have no option but to utilise the remaining capacities for the sales in merchant market. For PX-13, the applicant will again compete with the imports as well as the other two producers. Applicant cannot increase its 4-ADPA prices beyond the level of non-injurious price. Imposition of ADD on 4-ADPA shall imply that both the domestic industry and other consumers of 4-ADPA will get 4-ADPA at NIP (or below NIP).

iv. Post the proposed period of investigation, another producer has also set up capacity for 4 ADPA. This implies that the company will compete with the applicant.

v. Anti-dumping duty on 4-ADPA will eliminate unfair advantage presently available to the consumer. It is evident from the data being provided that (a) 4-ADPA is being imported at dumped prices, (b) dumping is causing material injury to the domestic industry. Therefore, imposition of ADD on 4-ADPA will eliminate unfair advantage presently available to the consumer. At the same time, imposition of anti-dumping duty will not give any undue advantage to the domestic industry either on the product under consideration or the downstream product - PX-13.

vi. The imposition of anti-dumping duty will not restrict imports in any manner. Imports will continue to happen but at fair prices.

vii. The anti-dumping duty on 4 ADPA will only provide a level playing field for the applicant and not provide any undue benefit. On the contrary, non-imposition of anti-dumping duty on the product under consideration will (a) dilute the remedy of anti-dumping duty on PX-13, (b) cause continued injury to the domestic industry in both 4-ADPA and PX-13.

viii. In the absence of dumped imports, the cost of production of the domestic industry would have declined significantly. This would have further made captive sales more viable. Thus, dumping of 4-ADPA is causing injury to the domestic industry in respect of its captive sales also.

ix. Capacity with domestic industry is sufficient to cater to current and potential demand. The current capacity with the domestic industry is sufficient to cater to the present and potential demand of 4-ADPA in the country.

x. With continued dumping of PX-13, the domestic industry will not be able to increase its sales of PX-13 or its selling price of PX-13. However, the domestic industry would be able to increase its domestic sales of 4 ADPA, which would allow it to achieve optimum level of operations in 4 ADPA and reduce its per unit cost of PX-13. The marginal reduction in cost of production will not allow the industry to recover from the current situation of material injury in PX-13.

xi. As the dumping of the product under consideration will continue, the domestic industry will not be able to increase its domestic sales of PX-13 or 4-ADPA to the extent of its capacities. The domestic industry will not be able to increase its prices as well. Therefore, the marginal increase in domestic sales will not allow the industry to recover from the current situation of material injury in PX-13.

xii. Imports from subject countries increased till 2023-24 and marginally declined in the period of investigation, due to the intensified dumping of the PX-13 in the domestic market.

xiii. The domestic sales of the domestic industry declined in 2022-23 and 2023-24 but has increased thereafter. The domestic industry has the capacity to cater to the entire domestic demand. Therefore, the volume of imports is the volume of sales lost by the domestic industry. Considering the fair selling price, the domestic industry could have had domestic sales value of more than Rs 230 cr. which would around 17% of the entire business operations of the domestic industry. However, the current sales value is restricted to only Rs 14 cr. constituting only 1%. While the product under consideration has the potential to form substantial part of the operations of the domestic industry, dumped imports are preventing it from increasing its sales.

xiv. The purpose of anti-dumping law was well recognized, appreciated and stated by the Hon'ble Supreme Court in the matter of *Reliance Industries Ltd. Versus Designated Authority* [2006 (202) E.L.T. 23 (S.C.)], wherein the Court observed that "The Anti-dumping Law is, therefore, a salutary measure which prevents destruction of our industries which were built up after independence under the guidance of our patriotic, modern minded leaders at that time and it is the task of everyone today to see to it that there is further rapid industrialization in our country, to make India a modern, powerful, highly industrialized nation."

J.3 Examination by the Authority

116. The Authority examined whether the imposition of the recommended anti-dumping duty would be in the public interest. In doing so, the Authority considered the information available on record and the interests of various stakeholders, including the domestic industry, foreign producers, and consumers.
117. The Authority issued a gazette notification inviting views from all interested parties, including importers, consumers and other interested parties. The Authority also prescribed a questionnaire for the users to provide the relevant information with regard to the present investigation, including the possible effect of the anti-dumping duty on their operation. The Authority sought information on, inter-alia, interchangeability of the product supplied by the various suppliers from different countries, ability to switch sources, the effect of the anti-dumping duty on the consumers, and the factors that are likely to accelerate or delay the adjustment to the new situation caused by the imposition of the anti-dumping duty.
118. The Authority notes that the purpose of anti-dumping duty, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market.
119. The Authority had prescribed an economic interest questionnaire, which was sent to all interested parties in this investigation. The users have claimed that anti-dumping duties will adversely affect the operations. The Authority has examined these claims in light of the submissions made by the opposing parties and the applicant.
120. Upon examination of the data filed by the domestic industry and the user industry, it is noted that 4-ADPA is the major raw material required to produce PX-13; its impact on the price of the end product, the tyre, is however limited. The applicant has submitted that 4-ADPA forms 60-70% of the cost of PX-13, and PX-13 itself forms less than 1% of the cost of production of tyre. The opposing parties have contended that imposition of duty would increase input costs for downstream PX-13 producers and impair their competitiveness. The Authority notes that while the duty may have some impact on downstream producers, the downstream PX-13 industry would be able to pass on the cost increases to the tyre industry, which is protected through trade remedial measures. It is also considered that, while the domestic industry had filed an application concerning dumped imports of PX-13, claiming material injury suffered on account thereof, Lanxess India Private Limited, the user industry in the present investigation, is also a producer of PX-13. However, Lanxess India Private Limited has not participated in the investigation concerning PX-13. The user has not claimed that dumping of PX-13 was impacting its operations. Therefore, it is seen that user industry has neither claimed nor established that it would be unable to pass on any increase in costs arising from the imposition of anti-dumping duty on 4-ADPA to their downstream users. Further, vide Final Findings No. 6/10/2025-DGTR dated 24 June 2026, the DGTR has recommended the imposition of anti-dumping duty on dumped imports of PX-13.

121. The table below shows the landed price of imports.

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Landed price	Rs/MT	2,16,037	3,05,475	2,48,747	2,41,808

122. It is seen that the landed price increased in 2022-23, and thereafter declined in 2023-24 and further decline in the period of investigation. The domestic industry has submitted that, even after adding the proposed anti-dumping duty to the current landed prices of the subject goods, the resulting prices would remain lower than the past prices of the subject goods. Therefore, when these high prices did not impact the user, the imposition of anti-dumping duty is not likely to have material impact. The opposing parties have contended that downstream users rely on imports primarily due to domestic supply shortages and that the applicant's low-capacity utilization left users with no choice but to source from abroad. The Authority notes that the domestic industry is operating with significant idle capacity and has sufficient capacity to cater to the current and potential demand in India. The imposition of anti-dumping duty does not restrict imports but ensures that imports are available at fair prices.
123. As regards the submissions on trade diversion and discrimination, the Authority has examined the import data and notes that imports from subject countries constitute the entire imports into India. The Authority further notes that the conditions for cumulative assessment under Annexure II, Para (iii) of the Rules are satisfied. The Authority has initiated investigation against the subject countries based on the evidence of dumping and injury on record. The exclusion of other countries does not violate the WTO Anti-Dumping Agreement as the Authority is required to examine dumping from countries where there is sufficient evidence.
124. As regards the claim regarding employment risk to ~2.5 lakh jobs, the Authority notes that this claim is not substantiated with any evidence. The domestic industry itself operates a PX-13 plant with direct employment of only about 80 persons. Therefore, the claim of endangering 2.5 lakh jobs is not supported by evidence on record.
125. The Authority further notes that the recommended anti-dumping duty would only provide a level playing field to the domestic industry and would not create any situation of monopoly since there is one other producer of the subject goods in India, which has commenced production post the period of investigation.
126. The Authority observes that the investments made by the domestic industry were undertaken on the basis of fair market principles. The domestic industry cannot reasonably be expected to undertake or sustain capacity expansion in the presence of significant dumping. The user industry did not set up operations expecting access to dumped imports. The Authority further notes that the imposition of anti-dumping duty is not expected to result in any scarcity or shortage of the subject goods in the Indian market. Anti-dumping duty does not prohibit or otherwise restrict imports into India; rather, it seeks to address the injurious effects of dumped imports and ensure that such imports enter the Indian market at fair prices.

127. As regards the remaining submissions of the other interested parties recorded at para J.1 above: (a) on the submission that 4-ADPA is a critical input for pharmaceuticals, agrochemicals, water treatment, textiles and adhesives, the Authority notes that the users of the product under consideration identified in the present investigation are Lanxess India Private Limited, Finorchem Limited and the domestic industry, all of whom use it for the production of PX-13, and that no user from the other sectors mentioned has registered as an interested party or placed any information on record; (b) on the submission that a duty of 15% would translate into a cost escalation of about 11% for downstream operations, the Authority notes that, on the information on record, 4-ADPA constitutes 60–70% of the cost of PX-13 and PX-13 less than 1% of the cost of a tyre, so that the effect of the recommended duty at the level of the end product is limited, and that no user has placed on record information establishing an inability to pass on the increase; (c) on trade diversion, the Authority notes that there were no imports of the product under consideration from countries other than the subject countries during the period of investigation, and that an apprehension of future diversion is not a ground for declining to address injurious dumping from the subject countries; and (d) on related-party sourcing and transfer pricing, the Authority notes that the export price of the cooperating producers from China PR has been determined on the basis of their sales, through their related trader, to Lanxess Chemical (China) Co., Ltd., an unrelated trader, as recorded at paras 52 to 55 above, and is not affected by related-party transfer pricing.

K. POST-DISCLOSURE COMMENTS

K.1 Submissions by the other interested parties

128. The following submissions have been made by the other interested parties in their comments on the disclosure statement:

a. That the Authority has not adequately examined the distinction between captive production/consumption and genuine merchant sales of 4-ADPA by the Domestic Industry. NOCIL’s production is predominantly captively consumed, while merchant sales constitute only a small proportion, not more than 5% of its production. The Respondents therefore request the Authority to examine whether such limited merchant sales demonstrate meaningful commercial presence in the merchant market and whether captive production can be relied upon in determining injury and standing.

b. That the deterioration in the performance of the Domestic Industry cannot be examined independently of the substantial decline in captive consumption and the performance of the downstream PX-13 business. Since NOCIL’s 4-ADPA production is predominantly linked to its captive PX-13 production, any decline in PX-13 production or captive consumption would correspondingly affect 4-ADPA production, capacity utilisation and financial performance. Injury attributable to PX-13 conditions should not be reattributed to dumped 4-ADPA imports without a proper non-attribution analysis.

c. That the Authority’s finding of causal link requires reconsideration in light of the fact that domestic sales and demand increased, while price undercutting was negative, and the deterioration in certain injury parameters coincided with lower captive consumption. The Respondents contend that pre-existing underutilisation and the decline in captive consumption ought to be separately quantified before attributing the overall deterioration to subject imports.

d. That the pricing arrangement between NOCIL and users is relevant to the examination of price suppression/depression and causation, as the prices were determined pursuant to a pre-agreed formula linked to specified raw-material costs, NOCIL's costs and a reasonable profit, rather than being determined by the landed price of imports. The Authority is therefore requested to examine the relevant agreements and pricing formula before concluding that domestic prices were suppressed or depressed by subject imports.

e. That the imposition of anti-dumping duty may result in a structural cost asymmetry between NOCIL and other PX-13 producers, since NOCIL is vertically integrated and predominantly relies on captive 4-ADPA, whereas other downstream producers procure 4-ADPA externally. Given NOCIL's limited merchant sales, the duty may increase the procurement cost of downstream producers without providing a corresponding meaningful domestic alternative. The Respondents therefore request the Authority to examine the downstream impact and NOCIL's dual position as both an upstream producer and captive consumer of 4-ADPA.

f. That the Authority should also clarify the NIP determination with and without additives, and reconsider the injury margin and related cost/return assumptions in light of the issues raised in the post-disclosure submissions. The Respondents accordingly request that the investigation be terminated; alternatively, that the above material issues be specifically addressed and a revised disclosure/final determination be issued after due examination.

K.2 Submissions by the domestic industry

129. The following submissions have been made by the domestic industry in its comments on the disclosure statement:

a. The domestic industry has requested the Authority to confirm the finding that the subject goods are being exported to India at dumped prices and that the same is causing both price and volume injury to them. It is also requested to confirm non-attribution observations made in the disclosure statement in the final findings.

b. That there is a clear causal link between the dumped imports and the injury suffered by the domestic industry through the combined volume and price effects of the subject imports. The domestic industry accordingly requests the Authority to confirm the finding on causal link.

c. That the Authority should confirm the injury margins determined for the subject countries and, having regard to the volatility in import prices and the injury established, consider an appropriate form of duty which would effectively address the injury caused by dumped imports.

d. The domestic industry requests the Authority to take note of its findings regarding the limited and unsubstantiated nature of the alleged adverse impact on downstream users and confirm that such generalized claims do not outweigh the case-specific evidence establishing dumping, injury and causal link.

e. That the Authority in the Disclosure Statement analyzed the impact of the proposed anti-dumping duty on downstream users and noted that there would be limited impact. The claims of adverse impact on downstream users, including the alleged impact on approximately 2.5 lakh jobs, are unsupported by evidence on record and ought not to be relied upon.

f. Domestic Industry also requested the Authority to confirm the essential facts and conclusions set out in the Disclosure Statement in the Final Findings and recommend imposition of anti-dumping duty for the prescribed period.

K.3 Examination by the Authority

130. The Authority has examined the post-disclosure submissions filed by the domestic industry and the other interested parties. Several of these submissions reiterate submissions made during the investigation which have already been examined in these final findings. The Authority has nevertheless considered all relevant comments, to the extent they are supported by evidence on record and are material to the final determination, as under.

131. As regards the distinction between the captive and the merchant operations of the domestic industry, the Authority notes that the bulk of the production of the domestic industry is captively consumed for the production of PX-13, and that its merchant sales have been small throughout the injury period. For this reason the Authority has examined the volume parameters of the domestic industry on the basis of its total production and sales of the like article, and its price and profitability parameters on the basis of its merchant sales, as recorded at para 17 above. The effect of the decline in captive consumption has been examined at para 109 above, and that part of the decline in production and capacity utilisation which arises from lower captive consumption has not been attributed to the dumped imports. The material injury found by the Authority rests on the adverse price effects, the losses and the negative return on capital employed in the merchant segment, and on the dominance of the subject imports, which held between 93% and 99% of the merchant market throughout the injury period. The domestic industry is entitled to the protection of its interest in the merchant market notwithstanding that the bulk of its production is consumed captively.

132. In relation to the submissions concerning the increase in domestic sales and demand and the negative price undercutting, the Authority notes that an increase in domestic sales or demand, or the absence of positive price undercutting, does not by itself determine the existence or absence of injury. The domestic sales of the domestic industry increased in the period of investigation only because it sold at prices below its cost of sales, and its market share in the merchant market remained in single digits throughout the injury period. The Authority has assessed these factors collectively, together with the trends in production, capacity utilisation, prices, profitability and market share, in determining the impact of the dumped imports and the causal link.

133. As regards the pricing arrangement between the domestic industry and its customers, the Authority notes that during the period of investigation the domestic industry sold the product under consideration at ₹***/MT below its cost of sales, and that the domestic

industry has stated that it offered highly competitive prices to one of its consumers for securing a large-volume order. Prices below the cost of sales are not consistent with a formula based on raw-material costs, the costs of the domestic industry and a reasonable profit, and show that the prices actually realised during the period of investigation were determined by competition with the subject imports. The finding of price suppression and depression at paras 82 and 83 above rests on those prices.

134. As regards the submission on structural cost asymmetry between the domestic industry and other producers of PX-13, the Authority has examined the effect of the duty on downstream users in Section J above. The duty recommended is limited to the injury margin, it does not restrict imports, and the domestic industry has capacity sufficient to meet the entire demand in India; the other producers of PX-13 will therefore continue to have access to 4-ADPA from the domestic industry and from imports at non-dumped prices.

135. As regards the request for clarification of the non-injurious price with and without additives, the Authority notes, as recorded at para 18 above, that the cost of the additive and the conversion cost of the further processing undertaken prior to captive transfer have not been taken into account in determining the non-injurious price. The non-injurious price accordingly relates to 4-ADPA without additives, the form in which the subject imports enter India, and no separate non-injurious price for 4-ADPA with additives is called for.

136. As regards reliance on captive production in determining standing, the Authority notes that Rule 2(b) of the Rules refers to the domestic producers engaged in the manufacture of the like article and to their collective output of that article. The like article, as held at para 17 above, comprises 4-ADPA whether sold in the merchant market or captively transferred, and the production of the domestic industry has accordingly been considered in full for the purposes of standing.

137. As regards the form of duty, the Authority considers a fixed duty expressed in US$ per MT, equal to the lesser of the dumping margin and the injury margin, appropriate in the facts of the present case. The Authority does not find in the post-disclosure submissions any ground warranting termination of the investigation or the issue of a fresh disclosure statement.

L. CONCLUSION

138. Having regard to the contentions raised, the information provided and the submissions made by the interested parties, and the facts available before the Authority, as recorded in these final findings, and on the basis of the above analysis of dumping, injury and causal link, the Authority concludes as follows:

a. On the product under consideration and like article:

(i) The product under consideration is "4-Aminodiphenylamine", also known as "4-ADPA" or "4-N-phenylbenzene-1,4-diamine", whether or not containing additives which do not alter its essential character as 4-Aminodiphenylamine.

(ii) The article produced by the domestic industry and the subject goods exported from the subject countries are like articles within the meaning of Rule 2(d) of the Rules.

b. On domestic industry and standing:

(i) Other than the applicant, there is one other producer of the subject goods in India, namely Finorchem Limited, which has commenced production after the period of investigation.

(ii) The applicant constitutes the domestic industry within the meaning of Rule 2(b) and satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

c. On the period of investigation:

(i) The period of investigation is 01.04.2024 to 31.03.2025, and the injury period covers 2021-22, 2022-23, 2023-24 and the period of investigation.

d. On normal value, export price and dumping margin:

(i) Sennics Co., Ltd. (Shandong) and Sennics Co., Ltd. (Anhui), producers from China PR, together with their related exporter/trader Sennics Co., Ltd., have participated in the present investigation. The subject goods were exported to India through Lanxess Chemical (China) Co., Ltd., an unrelated trader.

(ii) No producer/exporter from China PR has filed the supplementary questionnaire response claiming market economy treatment, and the normal value for China PR has accordingly been determined in terms of para 7 of Annexure I to the Rules, on any other reasonable basis, namely the cost of production in India duly adjusted for selling, general and administrative expenses and a reasonable profit. The export price for the participating producers from China PR has been determined on the basis of their questionnaire responses.

(iii) In the absence of participation by any producer/exporter from the European Union, the normal value and export price for the European Union have been determined on the basis of the facts available.

(iv) The dumping margins determined for the producers/exporters from China PR and the European Union are positive and above the de minimis level.

e. On injury and causal link:

(i) Imports from the subject countries have increased significantly over the injury period, both in absolute terms and in relation to production and consumption in India.

(ii) The price undercutting is negative in respect of both subject countries and on a weighted average basis.

(iii) The prices of the domestic industry are both suppressed and depressed in the period of investigation.

(iv) The production and capacity utilisation of the domestic industry have declined over the injury period; this decline being largely accounted for by lower captive consumption, it has not been attributed to the dumped imports.

(v) The idle capacity of the domestic industry is more than the imports from the subject countries.

(vi) The domestic industry has been able to sell only limited volumes in the merchant market throughout the injury period, in which the subject imports held a share of between 93% and 99%.

(vii) The domestic industry has suffered financial losses and a negative return on capital employed in the period of investigation.

(viii) While production and domestic sales showed some recovery and cash profit improved in the period of investigation, the profit and PBIT of the domestic industry deteriorated significantly.

(ix) The ability of the domestic industry to raise capital investments has been impacted.

(x) The dumped imports are the predominant factor affecting the prices of the domestic industry.

(xi) The domestic industry has suffered material injury.

(xii) The material injury suffered by the domestic industry has been caused by the dumped imports from the subject countries. The effect of other known factors, including the decline in captive consumption, has been examined and has not been attributed to the dumped imports.

(xiii) In view of the finding of present material injury, it has not been considered necessary to make a separate determination on the threat of material injury.

f. On Indian industry's interest:

(i) There is no demand and supply gap in the country. The capacity of the Indian industry is sufficient to cater to the entire demand.

(ii) While the duty may have some impact on downstream producers, the downstream PX-13 industry would be able to pass on the cost increases to the tyre industry. The participating users have not established their inability to pass on the increase in cost.

(iii) The anti-dumping duty would ensure that imports enter the Indian market at fair prices and that a level playing field is maintained between the exporters and the domestic industry.

(iv) The imposition of anti-dumping duty will not be against the larger public interest.

M. RECOMMENDATIONS

139. The Authority notes that the investigation was initiated and notified to all interested parties, and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide positive information on the aspects of dumping, injury, causal link and the impact of the recommended measures. Having initiated and conducted the investigation into dumping, injury and causal link in terms of the provisions of the Rules, and having established a positive dumping margin and

material injury to the domestic industry caused by the dumped imports, the Authority is of the view that the imposition of anti-dumping duty is required to offset the dumping and the injury. The Authority accordingly considers it necessary to recommend the imposition of anti-dumping duty on imports of the subject goods from the subject countries.

140. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of anti-dumping duty equal to the lesser of margin of dumping and the margin of injury, so as to remove the injury to the domestic industry. Accordingly, the Authority in terms of the second proviso to Rule 17(1)(b) of the Rules, recommends imposition of anti-dumping duty on the imports of the subject goods, originating in or exported from the subject countries, for a period of five (5) years from the date of notification to be issued in this regard by the Central Government, equal to the amount indicated in Col. 7 of the duty table appended below.

DUTY TABLE

SN	Heading	Description	Country of origin	Country of export	Producer	Amount	UOM	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	2921 44 10 and 2921 51 90 (*Note 1*)	4-ADPA (*Note 2*)	China PR	Any country including China PR	Sennics Co., Ltd. Anhui and Sennics Co., Ltd. Shandong	468	MT	US$
2	-do-	-do-	China PR	Any country including China PR	Any producer other than serial number 1	533	MT	US$
3	-do-	-do-	Any country other than China PR	China PR	Any producer	533	MT	US$
4	-do-	-do-	European Union	Any country including European Union	Any producer	328	MT	US$
5	-do-	-do-	Any country other than European Union	European Union	Any producer	328	MT	US$

Note 1 – The customs classification mentioned above is indicative only and is not binding on the scope of the product under consideration.

Note 2 – The description of the product under consideration is "4-Aminodiphenylamine", also known as "4-ADPA" or "4-N-phenylbenzene-1,4-diamine", whether or not containing additives which do not alter its essential character as 4-Aminodiphenylamine.

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

"I, the undersigned, certify that the (volume) of 4-ADPA sold for export to India covered by this invoice was manufactured by (company name and address) in (country concerned). I declare that the information provided in this invoice is complete and correct."

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

N. FURTHER PROCEDURE

142. 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 Section 9C of the Customs Tariff Act, 1975.

Digitally signed by
Amitabh Kumar
Date: 25-09-2026
14:31:18

Amitabh Kumar

(Designated Authority)