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CASE No. AD(OI)- 10/2025

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

**FINAL FINDING**

**Anti-dumping investigation concerning imports of “N-(1,3 dimethylbutyl)-N'-phenyl-p-phenylenediamine (also known as PX-13)” originating in or exported from China PR, European Union, Korea RP and Kingdom of Thailand**

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**F. No. 6/10/2025-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 FINDING**  
**Case No. AD (OI)-10/2025**

**Subject: Anti-dumping investigation concerning imports of “N-(1,3 dimethylbutyl)-N'-phenyl-p-phenylenediamine (also known as PX-13)” originating in or exported from China PR, European Union, Korea RP and Kingdom of Thailand.**

**F. No. 6/10/2025-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. 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 “N-(1,3-dimethylbutyl)-N'-phenyl-p-phenylenediamine (also known as PX-13)” (hereinafter also referred to as the “product under consideration” or the “subject goods”) from People's Republic of China (“China PR”), European Union (“EU”), Republic of Korea (“Korea RP”) and Kingdom of Thailand (“Thailand”) (hereinafter jointly referred to as the “subject countries”).
2. And whereas, in view of the sufficient *prima facie* application filed by the applicant, the Authority issued a public notice *vide* Notification F. No. 6/10/2025-DGTR, dated 28<sup>th</sup> March, 2025, published in the Gazette of India, initiating anti-dumping investigation into imports of the product under consideration from China PR, EU, Korea RP and Thailand, in accordance with Rule 5 of the Rules to determine the existence, degree and effect of any alleged dumping of the subject goods and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

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**B. PROCEDURE**

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

**3.1 Initiation**

- a. In accordance with Rule 5(5) of the Rules, the Authority notified the embassies of subject countries in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation.
- b. Upon examination of the application, the Authority found *prima facie* evidence of dumping and consequent injury. Therefore, in accordance with Rules 5 and 6 of the Rules, *vide* Notification F. No. 6/10/2025-DGTR dated 28<sup>th</sup> March 2025, the Authority initiated the present proceedings.
- c. The period of investigation (POI) was considered as 1<sup>st</sup> October 2023 to 30<sup>th</sup> September 2024. The injury period was set to cover the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022, 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023, 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 and the POI.
- d. A request was made to the Directorate General for Systems and Data Management (DG Systems) for transaction-wise import data of the subject goods for the injury period. The Authority received the data and has relied upon this data for the necessary analysis after due examination of transactions.

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

- a. In accordance with Rule 6(2) of the Rules, the Authority informed interested parties of the initiation of the investigation by sharing a copy of the initiation notification with the embassies of subject countries in India, known producers and exporters of the product under consideration in the subject countries, known importers of the subject goods in India and other interested parties, as per the information made available in the application.
- b. In accordance with Rule 6(3) of the Rules, the Authority provided a copy of the non-confidential version of the application to the governments of subject countries through their embassies in India, known exporters of the subject imports and to other interested parties who requested in writing for a copy of the application.
- c. The Authority sent questionnaires to the governments of subject countries through their embassies in India. The governments of the subject countries were requested to forward the initiation notification and the questionnaires to the producers of the subject goods in their country and advise them to respond to the questionnaire within the prescribed time limit.
- d. The interested parties were granted an opportunity to present their comments on the issues of confidentiality claimed by the other interested parties within 7 days of the circulation of the non-confidential version of the document filed before the Authority.

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

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- a. The Authority sent questionnaires to the known producers/exporters in the subject countries in accordance with Rule 6(4) of the Rules:
- A. China PR**
- i. Changde Dingyuan Chemical Industrial Limited
  - ii. China Sunsine Chemical Holdings Ltd.
  - iii. Dalian Richon Chem Co., Ltd
  - iv. Dongying Bo-Chen Chemical Co., Ltd.
  - v. Dongying Wantong Rubber Auxiliary Co., Ltd.
  - vi. Hebei Hanxing Chemical Co., Ltd.
  - vii. Hebei Haufeng Chemical Group
  - viii. Hebi Huaxia Auxiliary Co., Ltd.
  - ix. Hebi Uhoo Rubber Chemicals Co., Ltd.
  - x. Henan Kailun Chemical Co., Ltd.
  - xi. Jiangsu Donglong Industry Co., Ltd.
  - xii. Jinan Runquan Chemical Co., Ltd.
  - xiii. Jincheng Sky Success Chemical Industry Co., Ltd.
  - xiv. Jingcheng Tiancheng Chemical Co., Ltd.
  - xv. Kemai Chemical Co Ltd.
  - xvi. Linkwell Rubber Chemicals Co., Ltd.
  - xvii. Lion Industries Ltd.
  - xviii. Nanjing Chemical Plant
  - xix. Northeast Auxiliary Chemical Industry Co., Ltd.
  - xx. Puyang Willing Chemicals Co., Ltd.
  - xxi. Qingdao Zhongjian Rubber Chemicals Co., Ltd.
  - xxii. Rongcheng Chemical General Factory Co., Ltd.
  - xxiii. Sennics Co., Ltd.
  - xxiv. Shandong Yanggu Huatai Chemical Co., Ltd.
  - xxv. Shangyu Lixing Chemical Co., Ltd.
  - xxvi. Shenzhen Huaren Industrial Co., Ltd.
  - xxvii. The Organic Chemical Industry Limited
  - xxviii. Tianjin East Richon Rubber Additives Co., Ltd.
  - xxix. United Rubber Chemical Corp
  - xxx. Yixing Dongfang Chemical Co
  - xxxii. Zhejiang Huangyan Zhedong Rubber Auxiliary Co., Ltd.
  - xxxiii. Zhejiang Yongjia Chemical Plant
  - xxxiiii. Zhejina Yueqing Ultrafine Powders & Chemicals Co Ltd.
- B. EU**
- i. Flexsys Netherlands B. V
  - ii. SGS Belgium N.V
  - iii. Solutia Europe SPRUBVBA
- C. Korea RP**
- i. Daewoo International Corporation
  - ii. Kumho Petrochemical Co., Ltd.
  - iii. Posco International Corporation
- D. Thailand**

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- i. Nittsu Shoji (Thailand) Co., Ltd.
  - ii. Sennics (Thailand) Co., Ltd.
  - iii. Vee Rubber Corporation Ltd.
- b. The following producers/exporters have registered themselves as interested parties in the present investigation:
- A. China PR**
    - i. Sennics Co., Ltd.
    - ii. Sennics Co., Ltd. Tai'an
    - iii. Sennics Co., Ltd. Shandong
    - iv. Sennics Co., Ltd. Anhui
    - v. Sennics Singapore Pte. Ltd.
  - B. Korea RP**
    - i. Kumho Petrochemical Co., Ltd.
    - ii. POSCO International Corporation
  - C. Thailand**
    - i. Sennics (Thailand) Co., Ltd.
- c. The Authority sent importer's questionnaire to the following known importers/users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules.
- i. Apollo Tyres Limited
  - ii. ATC Tires Private Limited
  - iii. Balakrishna Industries Limited
  - iv. Birla Tyres Limited
  - v. Bridgestone India Private Limited
  - vi. CEAT Limited
  - vii. Goodyear India Limited
  - viii. J K Tyre & Industries Limited
  - ix. J.K. Fenner (India) Limited
  - x. Lanxess India Private Limited
  - xi. Malhotra Rubbers Limited
  - xii. Metro Tyres Limited
  - xiii. MRF Limited
  - xiv. PMC Rubber Chemicals India Private Limited
- d. In response to the initiation of the subject investigation notification, the following importers/users have registered themselves as interested parties in the investigation: -
- i. Apollo Tyres Limited
  - ii. CEAT Limited
  - iii. J K Tyres & Industries Limited
  - iv. MRF Limited
  - v. Rishiroop Limited
  - vi. Rishiroop Polymers Pvt. Limited

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- e. Finorchem Limited has registered themselves as the other domestic producer in the present investigation.
- f. In addition to the above, two associations, namely, Automotive Tyre Manufacturers Association and All India Rubber Industries Association have also registered themselves as interested parties in the present investigation.
- g. The Authority issued an Economic Interest Questionnaire (EIQ) to assess public interest and impact of the duties on the wider economy. A copy of the EIQ was sent to the embassy of each subject country, all the known exporters, importers and users and the domestic industry. The EIQ was also shared with the administrative line ministry. Of the applicant, other domestic producer, producers/exporters, importers/users and user associations registered as interested party, a response to the economic interest questionnaire was filed by the following:

SN	Name of interested party
<b>I</b>	<b>Applicant</b>
a.	NOCIL Limited
<b>II</b>	<b>Producers/exporters</b>
a.	Kumho Petrochemical Co., Ltd.
b.	POSCO International Corporation
<b>III</b>	<b>Importers/users</b>
a.	MRF Limited
b.	J K Tyres & Industries Limited
c.	CEAT Limited
d.	Apollo Tyres Ltd.

### 3.4 Further procedures

- a. 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
- b. In accordance with Rule 6(6) of the Rules, the Authority provided an opportunity to the interested parties to present their views orally in a hearing held on 4<sup>th</sup> September 2025. The parties presenting their views in the oral hearing were directed to make written submissions of the views expressed orally, followed by rejoinder submissions. Subsequently, another oral hearing was held on **19<sup>th</sup> December 2025** on account of change of the Designated Authority. All the parties who had attended the second oral hearing were provided an opportunity to file written submissions, followed by rejoinder submissions. The interested parties were further directed to share the NCV of the written submissions with the other interested parties.
- c. In accordance with Rule 6(8) of the Rules, 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.

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- d. In accordance with Rule 7 of the Rules, 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.
- e. In accordance with Rule 8 of the Rules, 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.
- f. The non-injurious price (hereinafter referred to as the “NIP”) has been determined based on the cost of production and reasonable return on capital employed for the subject goods in India, based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the AD Rules, 1995 so as to ascertain whether anti-dumping duties lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- g. 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 purposes, in making the final finding.
- h. 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.
- i. 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 17<sup>th</sup> June 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.
- j. \*\*\* represents information furnished by a party on confidential basis and so considered by the Authority under the Rules.
- k. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = ₹ 84.27.

**C. PRODUCT UNDER CONSIDERATION (PUC) AND LIKE ARTICLE**

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

4. The opposing interested party has not made any submission with regard to the product under consideration and like article.

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**C.2 Submission by the applicant**

5. The applicant has made the following submissions with regard to the product under consideration:
  - i. The product under consideration is “N-(1,3-dimethylbutyl)-N'-phenyl-p-phenylenediamine” or also known as “PX-13” or “6 PPD”.
  - ii. The product under consideration is also known as 6PPD and is imported with various descriptions such as Antioxidant 6PPD, Kumanox 13, Santoflex 6PPD, Sirantox 6PPD, Vulkanox 4020, Antioxidant4020, Dussantox 6PPD, Antage 6C, N-1,3-Dimethylbutyl)-N'-Phenyl-P-Phenylenediamine, etc.
  - iii. The product under consideration is an alkyl-aryl-PPD anti-degradant most widely used in the tyre and non-tyre sector of the rubber industry.
  - iv. The product under consideration is classifiable under Chapter 38 of the Customs Tariff Act, 1975 under the subheading 3812 39. The product under consideration has been imported under the following HS codes, namely 2921 51 20, 2921 51 30, 2921 51 90, 3812 10 00, 3812 20 90, 3812 31 00, 3812 39 10, 3812 39 20, 3812 39 30 and 3812 39 90.
  - v. There is no known difference in the like article produced by the applicant and the product under consideration exported from the subject countries.

**C.3 Examination by the Authority**

6. The Authority has examined the submissions regarding the PUC made by the interested parties herein as under:
7. At the stage of initiation, the product under consideration was defined as under:

*“3. The product under consideration (PUC) in the present application is “N-(1,3 dimethylbutyl)-N'-phenyl-p-phenylenediamine” or also known as “PX-13” or “6 PPD”.*

*4. PX-13 is also known as 6PPD and is imported with various descriptions such as Antioxidant 6PPD, Kumanox 13, Santoflex 6PPD, Sirantox 6PPD, Vulkanox 4020, Antioxidant4020, Dussantox 6PPD, Antage 6C, N-1,3-Dimethylbutyl)-N'-Phenyl-P Phenylenediamine, etc.*

*5. PX-13 is an alkyl-aryl-PPD anti-degradant most widely used in the tyre and non tyre sector of the rubber industry. PX-13 offers excellent resistance to rubber vulcanizates against degradative forces such as ozone (static as well as dynamic), flex-cracking and fatigue, oxidative heat ageing, metal-ion catalysed oxidative ageing, UV light and weathering. It is used as antioxidants in treating natural rubber, synthetic rubber (SBR, Butadiene Rubber, Nitrile Rubber, Carboxylated Rubber) and other synthetic rubber-based compounds used for manufacture of various rubber products to achieve the desired life cycle of the rubber product.*

*6. PX-13 is classified under Chapter 38 viz., 'Miscellaneous chemicals products' of the Customs Tariff Act, 1975 under sub-heading 3812 39 of the tariff*

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*classification. The applicant has stated that PX-13 is imported under the ITC-HS codes 29215120, 29215130, 29215190, 38121000, 38122090, 38123100, 38123910, 38123920, 38123930 and 38123990."*

8. The Authority notified the scope of the product under consideration in the notice of initiation. Whereby, the interested parties were granted an opportunity to present their comments on the scope of the PUC, and product control numbers (PCNs) methodology. Apart from domestic industry, none of the interested parties have filed any comments on the scope of the PUC and proposed PCNs methodology. Accordingly, the Authority confirms the scope of the product under consideration as below.

*"3. The product under consideration (PUC) in the present application is "N-(1,3 dimethylbutyl)-N'-phenyl-p-phenylenediamine" or also known as "PX-13" or "6 PPD".*

*4. PX-13 is also known as 6PPD and is imported with various descriptions such as Antioxidant 6PPD, Kumanox 13, Santoflex 6PPD, Sirantox 6PPD, Vulkanox 4020, Antioxidant4020, Dussantox 6PPD, Antage 6C, N-1,3-Dimethylbutyl)-N'-Phenyl-P Phenylenediamine, etc."*

9. PX-13 is classified under Chapter 38 viz., 'Miscellaneous chemicals products' of the Customs Tariff Act, 1975 under sub-heading 3812 39 of the tariff classification. The applicant has stated that PX-13 is imported under the ITC-HS codes 29215120, 29215130, 29215190, 38121000, 38122090, 38123100, 38123910, 38123920, 38123930 and 38123990. The Authority notes that the aforesaid customs classification is only indicative and not binding on the scope of the product under consideration. Imports of the product under consideration, wherever reported, have been considered for the purpose of present determination.
10. There are no restrictions on the import of the product under consideration in India as it falls under Open General License.
11. The basic customs duty applicable to product under consideration is 7.5%. The imports of the product under consideration enjoy basic customs duty concession when imported from Thailand under the ASEAN-India Free Trade Area (AIFTA) and the Comprehensive Economic Partnership Agreement (CEPA) between India and Korea. Examination of the DG System Transaction wise data and the questionnaire responses shows that the imports of the product have been cleared after payment of customs duty from Korea RP. However, the imports of the product under consideration have been cleared without payment of customs duty when imported from Thailand.
12. The prescribed unit of measurement for the product under consideration is weight, expressed in kilogram (KG) or MT. The information in the application has been presented in the form of MT.

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13. Rule 2(d) of the Anti-Dumping Rules provides the definition of like article as under:

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

14. After considering the information on record, the Authority concludes that the product under consideration produced by the domestic industry and imported from the subject countries are comparable in terms of physical characteristics, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The goods produced by the domestic industry and imported from the subject countries are like articles in terms of the provisions of Anti-Dumping Rules. The two are technically and commercially, substitutable. Thus, the Authority concludes that the subject goods produced by the domestic industry are like article to the product under consideration imported from the subject countries within the scope and meaning of Rule 2(d) of Anti-Dumping Rules.

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

##### **D.1 Submission by opposing interested party**

15. The opposing interested party has made the following submissions with regard to the scope of the domestic industry or its standing.
- i. The standing of the applicant is unclear because the applicant has not disclosed the range of shares of the applicant in total Indian production.
  - ii. The share of the applicant in total production has declined by 15% in the period of investigation as compared to 2021-22.
  - iii. Support letter of Finorchem Limited has not been shared with the other interested parties.
  - iv. The Authority's reliance on the alleged support of Finorchem Limited without disclosing it in terms of the prescribed Trade Notices (Trade Notice No. 13/2018 and Trade Notice No 14/2018) is inconsistent with the Authority's procedural framework.

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

16. The applicant has made the following submissions with regard to the scope of the domestic industry and its standing:
- i. Other than the applicant, there are two other producers of the subject goods in India, namely Finorchem Limited and Lanxess India Private Limited. The applicant has adequate standing to file the present application.
  - ii. The applicant has not imported the product under consideration in the period of investigation from the subject countries.
  - iii. The applicant is not related to any exporters in the subject countries or importers of the product under consideration into India.

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- iv. The domestic industry had sent communication to Finorchem Limited seeking their views on the application, but it did not respond to the communication sent. Finorchem had directly filed a support letter with the Authority.

**D.3 Examination by the Authority**

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

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

18. The application has been filed by NOCIL Limited. As per the information on record, there are two other producers of the subject goods in India viz., Finorchem Limited and Lanxess India Private Limited. The Authority had sent communication to the other two domestic producers before initiation of investigation. While response was received from Finorchem Limited supporting the application, no response was received from Lanxess India Private Limited. There was no response from these other domestic producers post initiation of investigations.
19. The Authority has examined the DG System transaction wise data, and it is seen that none of these producers have imported the product under consideration in the period of investigation.
20. It is seen that NOCIL Limited is not related to any exporters of the product under consideration from the subject countries or any importer in India.
21. Based on information on record, the Authority has determined the Indian production and share of NOCIL Limited in Indian production as follows:

<b>SN</b>	<b>Particulars</b>	<b>Production</b>	<b>Share (%)</b>
1	Production of NOCIL Limited	***	60-70
2	Production of other producers		
i	Finorchem Limited	***	10-20
ii	Lanxess India Private Limited	***	10-20
<b>3</b>	<b>Total/gross Indian production</b>	<b>***</b>	<b>100</b>

22. The Authority notes that the production of NOCIL Limited accounts for more than 50% share in the Indian production.

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23. Prior to the initiation of the investigation, the Authority sent emails to both Lanxess India Private Limited and Finorchem Limited seeking their views on whether they supported or opposed the application. In response, Finorchem Limited conveyed its support for the application through email. However, post-initiation, Finorchem Limited has not provided its information on production or sales. Based on the information on record, the Authority notes that the production of NOCIL Limited accounts for more than 50% of the gross Indian production. The Authority further notes that, even without considering the support of the other domestic producer, NOCIL Limited satisfies the criteria of standing.
24. Considering the information available on record, it is seen that NOCIL Limited accounts for a major proportion of Indian production in terms of the Rules. NOCIL Limited is an eligible domestic industry within the meaning of Rule 2(b) and satisfies the criteria of standing in terms of Rule 5(3) of the Rules. Hence, the Authority holds that NOCIL Limited constitutes domestic industry within the meaning of the Rules.

**E. MISCELLANEOUS SUBMISSIONS****E.1 Submission by opposing interested party**

25. The opposing interested party has made the following misc. submission:
  - i. The applicant has not provided the best information available on the volume and value of production by all other producers (except the applicant) as per the requirement of Trade Notice No. 10/2018. Rather, the applicant has only provided trend of volume of production of all other producers.
  - ii. The applicant has not disclosed data in trend with regard to the applicant's research and development expense, funds raised and cost of sales per unit (exports) as per the requirement of Trade Notice No. 10/2018.
  - iii. The applicant has not disclosed its aggregate actual data of non-injurious price calculation in range as per the requirement of Trade Notice No. 10/2018.
  - iv. The applicant has not disclosed its actual share or provided a range of the applicant's share in total Indian production within the application.
  - v. On the comments by the domestic industry on excessive confidentiality claimed by Sennics (Thailand) Co., Ltd., Sennics Co., Ltd. Anhui, Sennics Co., Ltd. Tai'an and Sennics Co., Ltd., the information such as manufacturing process, raw material names, adjustments, channel of marketing and other details are business sensitive information.
  - vi. On the comments by the domestic industry on excessive confidentiality claimed by Kumho Petrochemical Co., Ltd. and POSCO International Corporation, the information such as manufacturing process, raw material names and other details are business sensitive information and cannot be disclosed.
  - vii. On the comments by the domestic industry on excessive confidentiality claimed by MRF Limited, J K Tyres & Industries Limited, CEAT Limited and Apollo Tyres Ltd., the information on production process and flow chart, actual information on details of utilisation of product in the downstream product, share in the domestic market and other details are commercially sensitive details not available in public domain.

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- viii. The applicant has not disclosed the range of non-injurious price.
- ix. In the most recently concluded anti-dumping investigation on the product under consideration, the Ministry of Finance has concluded that the domestic industry has obtained sufficient protection from import competition and there is no need for recommending imposition of anti-dumping duty for further period.
- x. The data sourced from the private source is not authentic and reliable. The Authority should have called for DGCI&S data for the examination of imports in the present investigation at the time of initiation.
- xi. The applicant is a habitual initiator of trade remedy investigations, indicating a pattern of abuse of the process.

**E.2 Submission by the applicant**

- 26. The applicant has made the following misc. submissions: -
  - i. Research and development expense, funds raised and cost of sales per unit (exports) of the applicant, and the value of production of other domestic producers are not being provided as the anti-dumping application proforma (notified *vide* Trade Notice No. 04/2021) does not require these details to be provided within the application.
  - ii. On the submission of the interested parties that the non-injurious price has not been disclosed, the range of non-injurious price has been disclosed.
  - iii. The applicant is not required to disclose the range of its share in total Indian production as per the requirement of Trade Notice No. 10/2018
  - iv. Sennics (Thailand) Co., Ltd., Sennics Co., Ltd. Anhui, Sennics Co., Ltd. Tai'an and Sennics Co., Ltd. Shandong have not provided actual information on write-up of broad stage wise manufacturing, adjustment in normal value and export price, raw material, channel of marketing and other information which are required to be disclosed as per Trade Notice 10/2018.
  - v. Kumho Petrochemical Co., Ltd. and POSCO International Corporation have claimed the list of adjustments used in normal value and export price calculation, raw material names, and manufacturing process as confidential.
  - vi. MRF Limited, J K Tyres & Industries Limited, CEAT Limited and Apollo Tyres Ltd. have claimed information regarding manufacturing process, share of the product under consideration in their downstream product and their share in the demand as completely confidential.
  - vii. The applicant had relied on the import data as per its market intelligence. There is no sufficient evidence brought forward by the interested party showing how the import data of the applicant is unreliable.
  - viii. The applicant categorically refutes the assertion of interested parties that recommendations of the Authority to impose measures were not accepted as Ministry of Finance had concluded that the domestic industry has obtained sufficient protection from import competition.
  - ix. There is nothing on public record that would even indicate that the Ministry of Finance considered that anti-dumping duties were not required.

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- x. The applicant has been forced to become habitual user of trade remedies because the producers in the subject countries are habitual of dumping the product in the Indian market.

**E.3 Examination by the Authority**

27. 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) of the Rules. 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.”*

28. Submissions made by the domestic industry and other opposing interested parties with regard to confidentiality, to the extent considered relevant, were examined by the Authority and addressed accordingly. The Authority notes that the information provided by the interested parties on confidential basis was duly examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient nonconfidential version of the information filed on confidential basis. The Authority also notes that all interested parties have claimed their business-related sensitive information as confidential.
29. On the submissions made by the interested parties concerning the reliability of the data used by the domestic industry for the examination of imports, the Authority examined the import data based on the DG System Transaction Wise data and found that the import volume and price were comparable. Accordingly, the Authority has relied upon the same for the purpose of the present investigation.

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30. On the submission of the interested parties of the domestic industry being a habitual initiator of trade remedy investigations, thereby indicating a pattern of abuse of the process, the Authority notes that while multiple anti-dumping investigations have been conducted in the past on the product under consideration both from subject as well as non-subject countries, these investigations have been initiated, and recommendations for imposition of duty made (wherever warranted), pursuant to the requirements as per the Act and the Rules. Similarly, in the present case, the Authority had initiated this investigation on the basis of duly substantiated written application submitted by the domestic industry and having reached satisfaction based on the prima facie evidence submitted by the domestic industry concerning the dumping of the product under consideration originating in or exported from the subject countries, the consequential injury to the domestic industry as a result of the alleged dumping of the product under consideration and the causal link between such injury and the dumped imports, and in accordance with Section 9A of the Act read with Rule 5 of the Rules.
31. The Authority also notes the contention of the interested parties regarding non-imposition of duties by Ministry of Finance despite recommendations in the last two investigations concerning this product. The interested parties have made definitive submissions regarding the reasons for such non-imposition. However, the Authority notes that the interested parties have not advanced any evidence in support of this submission.

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

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

32. The opposing interested party has made the following submissions with regard to normal value, export price and dumping margin:
- i. The presumption of China PR as a non-market economy and the requirement to file MET ceased on 11th December 2016 with the expiry of China's Accession Protocol provisions. Accordingly, normal value must be determined on the basis of actual domestic prices and costs of participating Chinese producers, and reliance on surrogate country methodology post-2016 is inconsistent with WTO obligations.
  - ii. Claims regarding Sennics' alleged global dominance, control over demand or raw materials, surrogate relationships with other producers, and impact on closures or capacity decisions of unrelated companies are speculative, factually incorrect, and unsupported by any credible evidence, and should therefore be rejected in entirety.
  - iii. The domestic industry has failed to establish any legal or factual basis to reject the verified costs and domestic selling prices of Kumho Petrochemicals Co. Ltd. and Sennics (Thailand) Co., Ltd. Sole-producer status, raw material sourcing, or unsubstantiated claims of cost distortion do not justify discarding domestic prices or substituting exporters' costs with the applicant's costs in the absence of evidence of sales below cost or a particular market situation.

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- iv. Allegations of market allocation or collusion between Sennics and Kumho are speculative and unsupported by evidence, and that the absence of bilateral exports is driven by legitimate commercial considerations, with both exporters actively competing in the Indian market.
- v. Claims seeking to treat Sennics and Kumho as related parties are legally untenable, as none of the criteria under applicable DGTR guidelines are met, and speculative notions of “operational control” cannot replace objective legal standards.
- vi. Generalized references to global demand slowdown do not establish dumping or injury in India, and no evidence or causal link has been demonstrated between international market conditions and export pricing to India.
- vii. The cost of raw material (4-ADPA) for the Respondent must be determined on an actual basis as per the records maintained by the company.
- viii. The allegation of a 'particular market situation' in Korea RP is unfounded; procurement of raw materials from an unrelated party in China PR does not constitute such a situation under Article 2.2 of the WTO Anti-Dumping Agreement.
- ix. As per Article 2.2.1.1 of the WTO Anti-Dumping Agreement and multiple WTO Appellate Body rulings (e.g., *EU – Biodiesel*), an investigating authority is obligated to use an exporter's actual costs if its records comply with GAAP and reasonably reflect the costs. Rejecting actual costs in favour of a benchmark price is inconsistent with this legal standard.
- x. The Respondent has commenced its own production of 4-ADPA post-POI, making any rejection of historical procurement costs unreasonable for the purpose of future duties.
- xi. The dumping margin must be calculated based on the actual normal value and export price information provided by the cooperating producer/exporter, in accordance with Section 9A(6A) of the Customs Tariff Act.

**F.2 Submission by the applicant**

33. The following submissions have been made by the applicant with regard to normal value, export price and dumping margin:
  - i. China PR should be considered a non-market economy.
  - ii. Should it be contended that Article 15(a)(ii) of China PR’s Accession Protocol has already ceased and therefore the same cannot be applied to the present case, Article 15(a)(i) is still applicable and must be considered for determination of normal value for China PR.
  - iii. The obligation under 15(a)(i) of China PR’s Accession Protocol require the criterion stipulated in para 8 of Annexure I of the Rules to be satisfied by the exporter.
  - 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. The cost of Kumho Petrochemicals Co. Ltd. and Sennics (Thailand) Co., Ltd., should not be accepted for the purpose of normal value.
  - vi. There exists a tacit agreement between Kumho Petrochemicals Co. Ltd. and Sennics, China wherein 4-ADPA is exclusively sourced by Kumho Petrochemicals

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- from Sennics, China at lower prices than at which Sennics, China sells the same to other producers and other markets.
- vii. The fact that it has been exported at low prices it has also been observed by the Authority in the 'Anti-Dumping investigation concerning the imports of Rubber Chemicals viz. MBT, CBS, TDQ, PVI, and TMT from China and PX-13(6PPD) from China and Korea RP' (F. No. 14/5/2007- DGAD dated 1st October 2008), which was further upheld by the Hon'ble CESTAT Tribunal and the Hon'ble Supreme Court.
  - viii. There is no export by Sennics, China to Korea despite holding so significant capacities, far exceeding domestic demand, and despite the fact that both Kumho and Sennics are undertaking significant exports. Similarly, Kumho Petrochemicals Co. Ltd. has not exported the product to China.
  - ix. Import price per unit from China PR to Korea RP of 4-ADPA shows that 4-ADPA is being exported at significantly low prices to Korea RP in comparison to exports prices to other countries.
  - x. Kumho and Sennics should be deemed to be related parties for the purpose of present investigations and because of their actions and inactions.
  - xi. A producer should be deemed to control another producer when the former is legally or operationally in a position to exercise restraint or direction over the latter. Thus, control is not limited to legal control and extends to operational control.
  - xii. In *Stainless Steel Wire Rod from Korea*, USDOC found that POSCO had a close supplier relationship with the respondent Dongbang Special Steel Co., Ltd. since POSCO was the major supplier of black coil (black coil was the major raw material used to produce wire rod) to Dongbang and Dongbang did not have an alternative source of black coil. A similar position was also observed by USDOC in *Certain Oil Country Tubular Goods from Republic of Korea*.
  - xiii. The cost of production of Sennics (Thailand) Co., Ltd., should not be accepted for the purpose of normal value since Sennics (Thailand) Co., Ltd. procures 4-ADPA from its related entity Sennics, China for the production of PX-13.
  - xiv. Import price per unit from China PR to Thailand of 4-ADPA shows that 4-ADPA is being exported at significantly low prices to Thailand in comparison to exports prices to other countries.
  - xv. Cost of production for the purpose of calculation of normal value for Kumho Petrochemicals Co. Ltd. and Sennics (Thailand) Co., Ltd., should not be based on records kept by the exporter as per Annexure I of the Anti-Dumping Rules since the records do not reasonably reflect the cost associated with production and sale of the article under consideration
  - xvi. The records do not reasonably reflect the cost associated with production and sale of the article under consideration since the records did not suitably and sufficiently correspond to or reproduce those costs incurred by the investigated exporter or producer that have a genuine relationship with the production and sale of the specific product under consideration.
  - xvii. In any event, records may be found not to reasonably reflect the costs associated with the production and sale of the product under consideration where transaction

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- involving inputs are not at arm's length as held by the WTO Panel and Appellate Body in *EU – Biodiesel* and WTO Panel Body in *US – OCTG (Korea)*.
- xviii. In any event, the tacit agreement and actions and inactions between Kumho Petrochemicals Co. Ltd. and Sennics, China constitute an 'abnormal' circumstance that justifies the rejection of the Kumho's cost.
  - xix. The use of the term 'normally,' read together with the phrase 'for the purpose of paragraph 2,' under Article 2.2.1.1 of the WTO Anti-Dumping Agreement indicates that the provision for cost rejection does not exhaust the circumstances in which the costs reflected in the records of the producer or exporter under investigation may be rejected, as held by WTO Panel Body in *EU – Cost Adjustment Methodologies II (Russia)*.
  - xx. In any event, Kumho Petrochemicals Co. Ltd. and Sennics (Thailand) Co., Ltd. are faced with a 'particular market situation'.
  - xxi. Section 9A(c)(2) of the Customs Tariff Act detailing 'particular market situation' is *pari materia* to Article 2.2. of the Anti-Dumping Agreement.
  - xxii. The WTO Panel body in *Australia – Anti-Dumping Measures on Paper* has held that 'particular market situation' is relevant as long as the situation has the effect of rendering domestic sales unfit to permit a proper comparison.
  - xxiii. The WTO Panel body in *Australia – Anti-Dumping Measures on Paper* had held low-priced inputs used for the production of subject merchandise to constitute a 'particular market situation'.
  - xxiv. In view of the distorted cost of production of Kumho Petrochemicals Co. Ltd. and Sennics (Thailand) Co., Ltd., the Authority should determine their cost of production on the basis of the cost of production of the applicant.
  - xxv. Since 4-ADPA is imported into India from China PR and the European Union, both of which are the subject countries currently undergoing anti-dumping investigation pursuant to *prima facie* evidence of dumping and consequent injury to the domestic industry, such import prices are themselves distorted and cannot be considered a reliable benchmark.

**F.3 Examination by the Authority**

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

- i) The comparable price, in the ordinary course of trade, for the like article, when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or*
- ii) when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either:*

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

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

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

**F.3 (a) Normal value and Export Price for China PR****Normal Value for China PR**

35. 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*

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*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."*

36. It is noted that while the provision contained in Article 15 (a) (ii) have expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO, read with obligation under 15 (a) (i) of the Accession Protocol require the criterion stipulated in Para 8 of the Annexure I of the Rules to be satisfied through the information/data to be provided in the supplementary questionnaire on claiming the market economy status.
37. As none of the producers from China PR have filed a supplementary questionnaire on market economy conditions questionnaire response, the normal value has been determined in accordance with para 7 of Annexure I to the Rules which read 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 similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.*

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

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

*(3) The designated Authority shall consider in each case the following criteria as to whether: (a) the decisions of the concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values; (b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts; (c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and (d) the exchange rate conversions are carried out at the market rate. Provided, however, that where it is shown by sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated Authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph.*

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

38. Para 7 lays down hierarchy for 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 Annexure-I.

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39. It is to be noted that no information/evidence has been provided by the interested parties for the construction of the normal value on the basis of the first and second methods. In the absence of the above information/evidence, the Authority is unable to determine normal value on the basis of the first or second method. Therefore, the Authority has decided to construct normal value based on the third method, i.e., on any other reasonable basis including the price actually paid or payable in India during the period of investigation. The Authority has constructed the normal value on the basis of the price paid or payable in India. The normal value has been determined considering the cost of production in India, as adjusted, after addition of the selling, general & administrative expenses, and the reasonable profits. The normal value as determined is mentioned at dumping margin table.

**Export Price for China PR****Export price for Sennics Co., Ltd.**

40. Sennics Co., Ltd. Anhui, is a producer/exporter of the subject goods from China PR. During the POI, Sennics Co., Ltd. Anhui, has sold \*\*\* MT subject goods of invoice value \*\*\* CNY to India indirectly through a related exporter/trader namely Sennics Co., Ltd.
41. Sennics Co., Ltd. Shandong is a producer/exporter of the subject goods from China PR. During the POI, Sennics Co., Ltd. Shandong, has sold \*\*\*MT subject goods of invoice value \*\*\* CNY to India indirectly through a related exporter/trader namely Sennics Co., Ltd.
42. Sennics Co., Ltd. Tai'an is a producer/exporter of the subject goods from China PR. During the POI, Sennics Co., Ltd. Tai'an, has sold \*\*\* MT subject goods of invoice value \*\*\* CNY to India indirectly through related exporters/traders, namely Sennics Co., Ltd. and Sennics Singapore Pte. Ltd.
43. The producers/exporters have claimed no adjustments as subject goods sold to India are on ex-works basis.
44. All three producers form part of the same group (jointly referred to as Sennics Group) and therefore, the dumping margin and injury margin have been first determined for the individual producer and then determined for the group.
45. The export price at ex-factory level so determined is as shown in the dumping margin table below.

**Export price for non-cooperative exporters/producers.**

46. The export price for non-cooperative producers/exporters from China PR has been determined based on facts available in terms of Rule 6(8) of the Rules. The net export price so determined is mentioned in the dumping margin table below.

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**F.3 (b) Normal value and Export Price for EU****Normal value for EU**

47. None of the interested parties cooperated from EU. The normal value for EU has been determined based on facts available in terms of Rule 6(8) of the Rules. The normal value so determined is mentioned in the dumping margin table below.

**Export Price for EU**

48. None of the interested parties cooperated from EU. The export price for EU has been determined based on facts available in terms of Rule 6(8) of the Rules. The net export price so determined is mentioned in the dumping margin table below.

**F.3 (c) Normal value and Export Price for Thailand****Normal value for Sennics (Thailand) Co., Ltd.**

49. Sennics (Thailand) Co., Ltd. is a producer/exporter of the subject goods from Thailand. Sennics (Thailand) Co., Ltd. has sold \*\*\*MT of the subject goods having invoice value \*\*\* THB to unrelated customers in the domestic market during the POI, based on response of Sennics (Thailand) Co., Ltd., it is noted that the domestic sales are in sufficient quantity in the domestic market.
50. It is seen that Sennics (Thailand) Co., Ltd. has sourced 4-ADPA from its related entity, Sennics Co., Ltd., China PR, which has not claimed any market economy treatment. It is therefore considered that the use of actual purchase price of 4-ADPA by Sennics (Thailand) Co., Ltd. from Sennics Co., Ltd., China PR would not reasonably reflect the cost associated with production of PX-13, and therefore, the consumption price of 4-ADPA reported by Sennics (Thailand) Co., Ltd. cannot be adopted for the purpose of determination of cost of production. Rest of the cost of production of PX-13 as claimed by Sennics (Thailand) Co., Ltd. has been accepted. The revised cost of sales of PX-13 so constructed has been taken into account for the ordinary course of trade test.
51. In view of the above, the Authority has taken international price of 4-ADPA i.e., import price of 4-ADPA from EU in the POI, after adjusting as ocean freight, insurance and port expenses, for the purpose of working out the cost of production of PX-13. Rest of the cost of production of PX-13 as claimed by Sennics (Thailand) Co., Ltd. has been accepted. The revised cost of sales of PX-13 so constructed has been taken into account for ordinary course of trade test.
52. On the basis of the cost of sales determined as above, the Authority has carried out the ordinary course of trade test. In case profit making transactions are more than 80%, then the Authority has considered all the transactions in the domestic market for the determination of the normal value. Where profitable transactions are less than 80%, only profitable domestic sales are taken into consideration for the determination of normal

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value. Based on the ordinary course of trade test, only profitable domestic sales have been taken for determination of normal value, since the profitable sales were less than 80%.

53. Sennics (Thailand) Co., Ltd. has claimed adjustments on account of inland transportation, credit cost and bank charges to arrive at export price at ex-factory level. The Authority has undertaken desk verification and examined the claims made by the interested party. The adjustments claimed by the respondent interested party have been allowed. Accordingly, the normal value for Sennics (Thailand) Co., Ltd. has been determined and the same is mentioned in the dumping margin table below.

**Export price for Sennics (Thailand) Co., Ltd.**

54. During the POI, Sennics (Thailand) Co., Ltd. has sold \*\*\* MT subject goods of invoice value \*\*\* US\$ to India. Out of the subject goods sold to India in the POI, the company has exported \*\*\* MT directly and \*\*\* MT indirectly through an unrelated exporter/trader, namely Apollo Tyres Holdings (Singapore) Pte Ltd., Singapore. It is noted that Apollo Tyres Holdings (Singapore) Pte Ltd., Singapore has not participated in this investigation and therefore not cooperated before the Authority. In this regard, it is noted that the complete channel of information of subject goods produced by Sennics (Thailand) Co., Ltd. and exported to India has not been made available to the Authority. However, taking into account direct exports of subject goods produced and exported by Sennics (Thailand) Co., Ltd. to India, the Authority has decided to work out an individual export price for Sennics (Thailand) Co., Ltd. For working out the export price, the Authority has considered the actual export price for the chain comprising Sennics (Thailand) Co., Ltd's direct exports to India and export price based on the best available information for Apollo Tyres Holdings (Singapore) Pte Ltd., Singapore.
55. The producer/exporter has claimed adjustments on accounts of ocean freight, insurance, inland transportation, port and other related expenses, credit cost and bank charges to arrive at export price at ex-factory level.
56. The Authority has undertaken desk verification and examined the claims made by the interested party. The adjustments claimed by the interested party have been allowed. Accordingly, the export price for Sennics (Thailand) Co., Ltd. has been determined and the same is mentioned in the dumping margin table below.

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

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

**F.3 (d) Normal value and Export Price for Korea RP****Normal value for Kumho Petrochemical Co., Ltd.**

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58. Kumho Petrochemical Co., Ltd. is a producer/exporter of the subject goods from Korea RP. During the POI, Kumho Petrochemical Co., Ltd. has sold \*\*\*KG of the subject goods having invoice value \*\*\* KRW to unrelated customers in the domestic market. Based on the response of Kumho Petrochemical Co., Ltd., it is noted that the domestic sales are in sufficient quantity in the domestic market.
59. The Authority notes that 4-ADPA is a major raw material in production of the product under consideration. The information provided by the domestic industry and Kumho Petrochemical Co., Ltd. show that 4-ADPA constitutes a significant part of the total cost of production of PX-13. As per information available on record, 4-ADPA is being largely produced only by Chinese and Indian producer, with some quantity being produced in EU. Information provided by responding producers show that Kumho Petrochemical Co., Ltd. has entirely sourced 4-ADPA from China PR. Questionnaire response filed by Chinese producers show that they produce their own 4-ADPA. The responding producers from China PR have not claimed market economy treatment.
60. With regard to determination of normal value for Kumho Petrochemical Co., Ltd. in the present investigation, it is noted that the Authority has consistently rejected 4-ADPA cost of Kumho Petrochemical Co., Ltd. in the past anti-dumping investigations for determination of normal value. No evidence or argument has been provided that the situation in the present investigation has undergone any major change from the previous investigations on the product under consideration from the same country where the same cooperating producer and exporter had participated. It is further noted that the very issue has also been upheld by Hon'ble CESTAT, and the supreme court and now attained finality with regard to treatment of 4-ADPA cost reported by the Kumho. Relevant extract of the decision of Hon'ble CESTAT is reproduced below.
61. The Hon'ble CESTAT in its judgment reported as 2015 (322) E.L.T. 514 (Tri. - Del.) held as under:

*“19. In dumping investigations, the Authority routinely requests both price and cost information in order to check whether domestic sales are made below cost. In determining normal value, sales of the like product in the domestic market of the exporting country at prices below per unit (fixed and variable) costs of production plus SGA costs will be treated as not being in ordinary course of trade by reason of price. In order to ascertain the comparable price for the like article when meant for consumption in ordinary course of trade in the exporting country under Section 9A(1)(c)(i) *ibid*, the sales reflected in the accounts/record for the relevant period at the price shown therein will normally be accepted when the record reasonably reflects the cost associated with the production and sale of such article. However, when a major input is imported from a non-market economy country, the sale price reflected in the record will have to be scrutinized to detect and correct the distortion resulting from the non-market economy price of the input used, the cost of which is required to be worked out in order to correct the distorted cost of*

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*production of the article. The Authority is justified in rejecting the domestic sales price shown as the record when the input in question was produced within a non-market economy country, because the price for such input would be distorted, as they do not reflect the normal market economy purchase price. The prices or costs in non-market economies are not accepted as an appropriate basis for the calculation of normal value on the ground that prices and costs are controlled and regulated by the government and therefore not subject to market forces. Export price of 4 ADPA from China to India, would also suffer from the same distortions. Thus, in our view, the international price, as evidenced by the import data for 4 ADPA from a market economy country to India, is a fair basis for ascertaining the actual value of 4 ADPA.....”*

62. The Hon'ble Supreme Bench on 8-5-2015 disposed of the Petition for Special Leave to Appeal (Civil) No. 12086-12087 of 2015 with S.L.P. (C) CC No. 8088 of 2015 filed by Kumho Petrochemicals Co., Ltd. against the CESTAT Final Order Nos. AD/A/54808-54810/2014-CU(DB), dated 26-12-2014 as reported in 2015 (322) E.L.T. 514 (Tri.-Del.) (Kumho Petrochemicals Co. Ltd. v. Designated Authority). While disposing of the petitions, the Supreme Court passed the following order:  
SLP (C) Nos. 12086-12087 12015

*“Learned counsel for the petitioners, on instructions, seeks permission of this Court to withdraw these special leave petitions with liberty to the petitioners, if they so desire, to question the correctness or otherwise of the order that may be passed by the designated authority, Director General of Anti-Dumping and allied duties, before an appropriate forum by taking up all such contentions which are available to them including the contentions raised in these special leave petitions.”*

63. Kumho again challenged the remand finding before the Hon'ble CESTAT. The Hon'ble CESTAT rejected the appeal vide its Final Order Nos. AD/N53452-53453/2016-CU(DB), dated 9-9-2016 reported as 2016 (342) E.L.T. 573 (Tri. - Del.) and held as follows;

*“6. We have heard all the interested parties and perused the appeal records including the written submissions. We note that in the first round of appeal, the Tribunal examined two issues for decision. The first one being the correctness of cost construction for production of 6` PPD (one of the subject goods) for arriving at normal value and consequently, the dumping margin and injury decision on the said goods. After elaborate discussion, the Tribunal recorded that the DA rightly rejected the price of 4 ADPA from Sinorgchem and after for construction of normal value based on the international price of 4 ADPA which is a main raw material for 6 PPD. The Tribunal upheld the rejection of 4 ADPA price from China and arriving of normal value based on international price of 4 ADPA. Hence, the issue relating to methodology adopted by the DA in constructing the normal value for the appellants has reached finality. The conclusion of the Tribunal has not been challenged before any higher judicial forum.”*

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64. The Hon'ble Supreme Court Bench on 13-2-2017 dismissed Petition for Special Leave to Appeal (C) No. 3079 of 2017 filed by Kumho Petrochemicals Co. Ltd. against the CESTAT Final Order Nos. AD/A/53452-53453/2016-CU(DB), dated 9-9-2016 as reported in 2016 (342) E.L.T. 573 (Tri.-Del.) (Rishiroop Polymers Pvt. Ltd. v. Union of India). While dismissing the petition, the Supreme Court passed the following order: **“The special leave petition is dismissed.”**
65. In view of the above, the very issue has been settled by the Designated Authority and further upheld by Hon'ble CESTAT and Hon'ble Supreme Court, that the Designated Authority has not accepted consumption price of 4-ADPA reported by Kumho Petrochemical Co., Ltd.
66. In the present investigation, Kumho Petrochemical Co., Ltd. continues to source majority of 4-ADPA from the same non-market economy company with whom Kumho Petrochemical had earlier reported to have special relationship and no facts or evidence have been brought before the Authority in the present investigation that either status of the said company or business activities of the two companies has undergone any change since the previous determination by the Authority
67. It is seen that Kumho Petrochemical Co. Ltd. has completely sourced 4-ADPA from Sennics Co., Ltd., China PR. Further, while Kumho Petrochemical Co. Ltd. had earlier reported to have special relationship with Sennics in the previous investigations on the product under consideration, no facts or evidence have been brought before the Authority in the present investigation that have shown any change in either the status of the said company or the business activities of the two companies since the previous determination by the Authority.
68. The domestic industry has provided information showing that the export price of 4 ADPA from China to Korea is lower than the export price from China to rest of the world. It is therefore considered that considering the facts of the present case, the use of actual purchase price of 4-ADPA by Kumho Petrochemical Co., Ltd. from the said non-market economy company would not reasonably reflect the cost associated with production of PX-13 (6 PPD), and therefore, the consumption price of 4-ADPA reported by Kumho Petrochemical Co., Ltd. cannot be adopted for the purpose of determination of cost of production.
69. In view of the above, the Authority has taken international price of 4-ADPA i.e., import price of 4-ADPA from EU in the POI, after adding adjustments as ocean freight, insurance and inland freight, for the purpose of working out the cost of production of PX-13. Rest of the cost of production of PX-13 as claimed by Kumho Petrochemical Co., Ltd. has been accepted. The revised cost of sales of PX-13 so constructed has been taken into account for ordinary course of trade test.

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70. On the basis of the cost of sales determined as above, the Authority has carried out the ordinary course of trade test. In case profit making transactions are more than 80% then the Authority has considered all the transactions in the domestic market for the determination of the normal value. Where profitable transactions are less than 80%, only profitable domestic sales are taken into consideration for the determination of normal value. Based on the ordinary course of trade test, only profitable domestic sales have been taken for determination of normal value, since the profitable sales were less than 80%.
71. Kumho Petrochemical Co. Ltd. has claimed adjustments on account of inland transportation, credit cost and packing charges. The Authority has undertaken desk verification and examined the claims made by the interested party. The adjustments claimed by the interested party have been allowed. Accordingly, normal value for Kumho Petrochemical Co., Ltd. has been determined, and the same is mentioned in dumping margin table below.

**Export price for Kumho Petrochemical Co., Ltd.**

72. During the POI, Kumho Petrochemical Co., Ltd. has sold \*\*\*MT subject goods of invoice value \*\*\* US\$ to India. Of the subject goods sold to India in the POI, the company has exported \*\*\*MT directly and \*\*\* MT indirectly through unrelated exporters/traders namely, Apollo Tyres Holdings Pte Ltd., Singapore and Posco International Corporation. It is noted that Posco International Corporation has submitted the questionnaire response and has given information regarding chain of exports to India. However, Apollo Tyres Holdings Pte Ltd. has not cooperated before the Authority. In this regard, it is noted that complete channel of information of subject goods produced by Kumho Petrochemical Co., Ltd. and exported to India for the subject goods has not been made available to the Authority as some of the information by the unrelated exporter who had sourced the subject goods from Kumho Petrochemical Co., Ltd. has not been submitted. However, taking into account direct exports of subject goods produced and exported by Kumho Petrochemical Co., Ltd. to India, and through its cooperating exporter Posco International Corporation, it has been decided to work out an individual export price for Kumho Petrochemical Co., Ltd. For working out net export price, the Authority has considered the actual export price for the chain comprising Kumho Petrochemical Co., Ltd. direct exports to India along with indirect exports made by Posco International Corporation, and export price based on the best available information for Apollo Tyres Holdings Pte Ltd., Singapore.
73. The producer/exporter has claimed adjustments on accounts of ocean freight, insurance, inland transportation, port expenses and other charges to arrive at export price at ex-factory level.
74. The Authority has undertaken desk verification and examined the claims made by the respondent. The adjustments claimed by the respondent have been allowed. Accordingly, export price for Kumho Petrochemical Co., Ltd. has been determined, and the same is mentioned in dumping margin table below.

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

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

**F.3 (e) Dumping margin**

76. The dumping margin has been determined as below.

SN	Particular	Normal value/ CNV	Export price	Dumping Margin		
		\$/MT	\$/MT	\$/MT	%	Range
<b>1</b>	<b>China PR</b>					
a	Sennics Co., Ltd. Anhui, Sennics Co., Ltd. Shandong and Sennics Co., Ltd. Tai'an	***	***	***	***	40-50
b	Any other	***	***	***	***	60-70
<b>2</b>	<b>Thailand</b>					
a	Sennics (Thailand) Co., Ltd.	***	***	***	***	10-20
b	Any other	***	***	***	***	20-30
<b>3</b>	<b>Korea</b>					
a	Kumho Petrochemical Co., Ltd.	***	***	***	***	20-30
b	Any other	***	***	***	***	30-40
<b>4</b>	<b>European Union</b>					
a	All producers/exporters	***	***	***	***	20-30

**G. ASSESSMENT OF INJURY AND CAUSAL LINK****G.1 Submission by opposing interested party**

77. The opposing interested party has made the following submissions with regard to assessment of injury and causal link:
- Imports from China PR have consistently declined from 2020-21 to 2023-24 despite an increase in demand/consumption over the same period. Around the same time, sales of the applicant have remained broadly stable.
  - Total volume of imports declined only marginally from \*\*\* (in 2021-22) to \*\*\* MT (in the period of investigation). This near-static trend in import volumes cannot reasonably be linked to the sharp deterioration in the applicant's performance.
  - The import price from China PR is lower than import price from Korea RP and the import volume from China PR is the highest during the period of investigation. Therefore, imports from Korea should not be clubbed with the imports from China. As it would wrongly impute injury to the applicant due to imports from Korea RP.

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- iv. The volume of the imports of subject goods from Korea RP cannot be a cause of injury to the applicant since the imports have declined over the injury period, and during the period of investigation, imports from Korea RP were substantially lower than imports from China PR and Thailand.
- v. While the landed price of imports from China PR declined, the price undercutting remained low or even negative in some years.
- vi. The profitability of the applicant shows that there is no price underselling, since both the domestic selling price and the landed price of subject imports are above the applicant's cost of production.
- vii. There is no price suppression or depression as the selling price of the applicant has closely followed the trend in its cost of sales throughout the injury period and the period of investigation.
- viii. There has been a pronounced slowdown in global demand for the tyre and rubber industry, caused by weak economic conditions and reduced consumption in key end-use sectors as acknowledged by the applicant. The applicant's prices and profits have moved in parallel with international price trends, which reflects wider market forces rather than any effect of subject imports to have caused injury to the applicant.
- ix. The fall in capacity utilization and production in 2023-24 and the period of investigation is not because of subject imports but is rather linked to the applicant's own capacity expansion decisions.
- x. In the anti-dumping investigation concerning imports of "N, N'- Dicyclohexyl Carbodiimide (DCC)" from China PR, the Authority had held that start-up costs, inefficiencies and low-capacity utilization associated with new industries is a relevant factor in determining causality of the injury.
- xi. From 2020-21 to 2023-24, the sales of two other Indian producers have increased from 100 indexed points in 2021-22 to 151 indexed points in the period of investigation. This growth has been largely driven by their ability to procure 4-ADPA, a key intermediate chemical, from China PR at competitive prices.
- xii. From 2021-22 to the period of investigation, the two other Indian producers increased their production by 21% and expanded their market share by 45%. This growth has been largely driven by their ability to procure 4-ADPA, a key intermediate chemical, from China PR at competitive prices.
- xiii. Demand has not increased at all considering 2022-23 as the base year, and demand has only increased by 6 indexed points in the period of investigation in comparison to 2021-22 as the base year. In these circumstances, significant increase in production and sales reported by other domestic producers cannot be attributed to any expansion in demand but rather inter-se competition amongst domestic producers.
- xiv. In a flat demand scenario, while imports from the subject countries have not exhibited any sustained or significant increase, the applicant's domestic sales declining marginally during the period of investigation represents a normal commercial adjustment within the market and does not establish displacement by imports.

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- xv. In the anti-dumping investigation concerning Coated Paper from China PR, the EU, and the USA, the Authority, in its Final Findings dated 26<sup>th</sup> December 2018, terminated the investigation without recommending the imposition of anti-dumping duty based on the conclusion that the injury was confined to a single producer while other domestic producers had shown improvement.
- xvi. The profitability of the applicant declined significantly even though there has been no increase in imports from the subject countries over the injury period.
- xvii. Increase in the cost of sales and consequent decline in profitability of the applicant is due to anti-dumping duty on imports of Aniline from China PR and cannot be attributed to imports of PX-13 from Korea RP. The applicant had also filed an application seeking initiation of mid-term review and withdrawal of anti-dumping duty on imports of Aniline, though the Authority recommended continuation of duty.
- xviii. The decline in profitability of the applicant coincides with increase in depreciation cost and interest cost, which is due to recent increase in capacity/capital investment in 2023-24.
- xix. Interest costs have continuously increased from an indexed level of 100 indexed points in the base year to 155 in the period of investigation. This sharp rise in financial expenses has directly reduced profit before tax from 212 indexed points in 2022-23 to only 19 indexed points in the period of investigation.
- xx. The applicant's export sales prices, which are unaffected by domestic competition from subject imports, exhibit a parallel decline to the applicant's domestic selling price. Therefore, decline in both import and domestic prices during the period of investigation is reflective of wider market dynamics and the applicant's own business decisions.
- xxi. The Authority should reconsider the fixed 22% return on capital employed methodology and adopt the actual return on capital employed earned by the domestic industry during periods free from dumping allegations as the benchmark for a reasonable return.
- xxii. The fall in import prices is reflective of international market conditions and not import-driven pressure on the domestic industry.

**G.2 Submission by the applicant**

- 78. The applicant has made the following submissions with regard to assessment of injury and causal link:
  - i. Rubber Chemicals are produced in various countries with major producing countries being China PR, Europe, India, Korea RP and Thailand.
  - ii. The capacities in China PR, Korea RP and Thailand far exceed the demand in their respective countries.
  - iii. Sennics Co., Ltd. already having a huge rubber chemical plant in China PR has now also set up a plant in Thailand. Producers have set up capacities in different parts of the world to take geographical advantage.
  - iv. The period 2023-24 had seen a sluggish demand for rubber chemical (outside India) due to sharp government spending cuts in the United States of America and the latest struggles of recession-stricken Europe. The subdued demand in international

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- markets had resulted in surge in supply from various markets thereby exerting pressure on volume and price dynamics in the domestic and export market.
- v. The demand for the product under consideration had consistently increased over the injury period. While the global demand declined, the Indian demand increased and imports into India increased.
  - vi. Imports from the subject countries declined in 2022-23, increased in 2023-24 and then increased again in the period of investigation.
  - vii. Imports in relation to Indian production and consumption declined in 2022-23 and thereafter increased in 2023-24 and the period of investigation.
  - viii. The landed price of imports in the period of investigation was below the selling price of the applicant. The price undercutting was positive and significant.
  - ix. The applicant's prices were depressed in the period of investigation.
  - x. While there was a marginal decline in imports from China PR from 2020-21 to 2023-24, the landed price of imports has consistently remained below the selling price of the applicant, except in 2022-23 because of China's zero Covid policy and its impact on global prices.
  - xi. The capacity of the applicant marginally increased in 2023-24 and the period of investigation as the applicant had undertaken debottlenecking
  - xii. The production and capacity utilization declined in 2022-23 and further declined in 2023-24. While there was a marginal increase in production in the period of investigation in comparison to the immediately preceding year, the applicant was unable to increase its domestic sales.
  - xiii. The capacity utilization of the applicant declined over the injury period.
  - xiv. The domestic sales volume and value increased in 2022-23, declined thereafter in 2023-24 and further declined in the period of investigation. The decline in sales in values terms was higher than the decline in sales in volume terms.
  - xv. The applicant was operating with significant unutilized production capacity over the injury period. This was despite significant demand for the product being available in the country.
  - xvi. The installed capacity in India is more than enough to meet entire demand in India as on the period of investigation. In the absence of dumped imports, the applicant could have produced and sold more in the domestic market.
  - xvii. Despite having sufficient capacity to cater the entire demand in India, the applicant's market share has seen a consistent decline over the injury period.
  - xviii. The applicant's inventory has consistently increased over the injury period.
  - xix. The applicant's profitability increased in 2022-23 when the import prices increased. As dumping resumed in 2023-24, the applicant again suffered steep decline in the profits which have further declined in the period of investigation. The profit per unit earned by the applicant is less than the adequate profit considered by the Authority for normal value.
  - xx. The cash profit declined sharply in 2023-24 and further declined in the period of investigation. When seen over the injury period, the cash profits have declined by 67% and the profit before interest has declined by 70%.
  - xxi. The wages paid by the applicant have increased over the injury period. The number of employees and productivity per day of the applicant increased in 2022-23 and

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- declined thereafter. These parameters are dependent on several other parameters and not reflective of the impact of dumping on the applicant
- xxii. Dumped imports have impacted both growth and the ability of the applicant to raise capital investment. The applicant is suffering in both volume and price parameters despite no demand supply gap in India.
- xxiii. The import price has directly affected the prices of the applicant in the domestic market. The landed price of the product from the subject countries was below the cost and selling price of the applicant.
- xxiv. Both the domestic sales and market share of the other Indian producers increased till 2023-24 but declined in the period of investigation when the dumped imports increased. As the domestic sales of other domestic producers increased in 2022-23, the sales of the applicant did not decline.
- xxv. 4-ADPA is being dumped in India with the dumping intensifying in 2022-23, resulting in the other domestic producer's sales to also increase.
- xxvi. The dumping of the product had intensified in the post period of investigation. The CIF import price had continuously declined post the period of investigation. While the cost of sales of the applicant had also declined, this decline in cost was far lower than the decline in CIF import price.
- xxvii. The imports from Korea with effect from April 2025 are cleared without customs duty because of the Comprehensive Economic Partnership Agreement Between India and Republic of Korea. The import price has steeply declined.
- xxviii. Since the imports of the product under consideration from Korea RP and Thailand are now being cleared without payment of anti-dumping duty, the Authority is requested to not consider basic customs duty in the calculation of injury margin.
- xxix. While the applicant was profitable in the period of investigation, the applicant operates with significant losses, cash losses and a negative return on capital employed post the period of investigation.
- xxx. The dumping margin is above *de minimis* and significant.
- xxxi. The legal requirement for causal link as per the WTO Anti-dumping Agreement is the existence of 'a' causal relationship between dumped imports and injury to the domestic industry rather than 'the' causal relationship between dumped imports and injury to the domestic industry.
- xxxii. While the anti-dumping duty on Aniline is adding to the cost of the applicant, duty on Aniline has been in force over the entire injury period and the applicant has not suffered injury over the entire injury period, thereby showing that duty on imports of Aniline cannot be the sole cause of injury.
- xxxiii. The WTO Appellate Body in *European Union – Biodiesel (Argentina)* had observed that the authority is not required to conduct a non-attribution analysis with respect to features that are inherent to the domestic industry and have remained unchanged over the injury period.
- xxxiv. The Hon'ble CESTAT Tribunal in *Nippon Zeon Co. Ltd. V. Designated Authority etc.* had held that the question of injury to the domestic industry cannot be decided by assuming ideal conditions but has to be decided on prevailing conditions though giving reasonable adjustments.

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- xxxv. The share of interest cost and depreciation is only [0.14] % and [2.9] % respectively of the total cost of the applicant. The applicant's profit before interest has declined followed by a steep decline in cash profits.
- xxxvi. The Authority and the Hon'ble CESTAT Tribunal has taken a unanimous view that unless the interested parties demonstrate the need for consideration of a different return, a return of 22% shall be allowed for determination of non-injurious price.
- xxxvii. In *Tangshan Sanyou Group Hong Kong International Trade Co. Limited Vs. Union of India*, the Hon'ble CESTAT Tribunal had held that since the interested parties did not produce any evidence to substantiate that the return of 22% was unreasonable, the consistent practice followed by the Authority could not be questioned.
- xxxviii. The claims made by the applicant regarding global market disruptions in 2023-24 allegedly encouraging dumping in India are purely speculative and unsupported by credible evidence.
- xxxix. The claims made by the applicant regarding alleged overcapacity in China and an intention to dump are baseless and unsupported by any verifiable evidence.
- xl. The present investigation is a fresh investigation with no allegation of threat of material injury; therefore, there is no basis for examining post-period of investigation data.
- xli. The statements of senior management of NOCIL Limited in investor earnings calls clearly demonstrate that the applicant has not suffered any adverse impact from imports and, in fact, has reported resilience and strengthening of its economic parameters in the post- period of investigation period.

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

79. 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...*". For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Anti-Dumping Rules.
80. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II to the Rules.

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81. The Authority has taken note of the various submissions made by the domestic industry and the other interested parties on injury and causal link. The submissions made by interested parties with regard to injury and causal link, which have been considered relevant by the Authority are examined and addressed as under.
82. On the submissions of the interested parties that the decline in global demand has caused injury to the domestic industry, the Authority has considered the data for domestic operations only. The Authority also notes that the import from the subject countries have been found to be at dumped prices. If the decline in global demand was to cause injury, the export volume of the domestic industry too would have declined. However, the information on record shows that the export volume has increased in the period of investigation. Therefore, the global decline in demand for the tyre and rubber industry is not a cause of injury to the domestic industry.
83. Interested parties have claimed that decline in profitability of the domestic industry coincides with increase in depreciation cost and interest cost. The Authority notes that the share of interest cost is only \*\* % in the period of investigation. Similarly, depreciation is only \*\* % of the total cost in the period of investigation. With such low share in the overall cost of production, these factors could not have been a cause of injury to the domestic industry. It is also seen that the cash profits, profit before interest, profit before interest & depreciation and return on investment of the domestic industry have also declined. Therefore, depreciation and interest cost cannot be the sole reason for injury caused to the domestic industry.
84. Interested parties have claimed that the increase in cost of sales and consequent decline in the profitability of the domestic industry is due to anti-dumping duty on imports of Aniline (raw material for the production of 4-ADPA) from China PR. The Authority notes that the anti-dumping duties have been in force over the entire injury period. Had these factors been a cause of injury, the domestic industry would have suffered injury over the entire injury period, and its profits would not have declined over the injury period.
85. The interested parties have claimed that production, sales and market share of the other domestic producers have improved over the injury period the Authority notes that based on an application filed by the domestic industry (NOCIL Limited), an anti-dumping investigation has been initiated on imports of 4-ADPA from China PR on 29<sup>th</sup> September 2025 based on *prima facie* evidence that imports of 4-ADPA from China PR constitutes dumped imports and the same are causing injury to the domestic industry. 4 ADPA is the penultimate raw material for the product under consideration. The domestic industry is captively producing 4 ADPA, other producers are importing them. In the period of investigation, the market share of the subject imports (i.e. PX-13) increased from 26% to 31%, this increase being largely at the expense of the other domestic producers, whose share declined from 34% to 30%, while the market share of the domestic industry was broadly maintained at 39%. It is thus not borne out that the position of the domestic industry was displaced by the other domestic producers. The Authority also notes that

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the movement in the market share as between the domestic industry and the other domestic producers is a matter of inter-se competition in terms of volume and does not negate the injury suffered by the domestic industry, which has been established principally on its price and profitability parameters.

86. The interested parties have disputed consideration of 22% return on capital employed and adopt actual return on capital employed earned by the domestic industry during periods free from dumping allegations. For the same, the interested parties have placed reliance on the Hon'ble CESTAT Tribunal's decision in *Bridge Stone Tyre Manufacturing & Others vs. Designated Authority* and *M/s Hyosung Corporation vs. Designated Authority*. The Authority notes that Annexure III of the Rules refers to reasonable return (pre-tax) on the capital employed and it is a consistent practice of the Authority to determine the non-injurious price of the domestic industry based on reasonable return on capital employed, which is 22%. With regard to the interested parties reference to *Bridge Stone Tyre Manufacturing & Others vs. Designated Authority*, it is seen that the interested parties in this case had produced specific evidence before the Hon'ble CESTAT justifying a departure from the Authority's consistent practice in this particular case. However, interested parties in the present case have not placed any evidence on record to justify such departure. With regards to the interested parties' reference to *M/s Hyosung Corporation vs. Designated Authority*, it is seen that post this decision by the Hon'ble CESTAT in 2011, there have been multiple cases including *Tangshan Sanyou Group Hong Kong International Trade Co. Limited v. Union of India*, *Merino Panel Products v. Designated Authority* and *M/s Perstorp Chemicals GmbH & Anr. v. Designated Authority & Ors.* wherein the Hon'ble CESTAT Tribunal has consistently upheld the Authority's practice of adopting a 22% ROCE for injury analysis. Therefore, the Authority finds considering a 22% return on capital employed as appropriate in the present investigation.
87. In the present case, no evidence has been provided by other interested parties that a return of less than 22% would be appropriate for the product under consideration.
88. On the submission of the domestic industry that the post period of investigation has seen a further increase in the imports with a decline in the price and as a result the domestic industry has suffered losses, the Authority notes that the present investigation is a fresh investigation and the data for the POI itself is sufficient to make a determination.
89. Certain interested parties have submitted that imports from certain sources have declined, or that any injury caused is attributable to imports from other countries. The Authority, however, notes that import volumes cannot be evaluated in isolation. Under Article 3.3 of the WTO Agreement and paragraph (iii) of Annexure II of the Rules, where imports of a product from more than one country are simultaneously subject to anti-dumping investigations, the Authority is required to assess the effects of such imports on a cumulative basis. As discussed below, the circumstances of the present case warrant a cumulative assessment of imports. Moreover, the interested parties have failed to furnish any evidence demonstrating why such a cumulative assessment would be inappropriate.

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90. On the submission of the interested parties that price underselling has not been determined in the present investigation, the Authority notes that Annexure II to the anti-dumping rules contains list of factors which are required to be examined to see if a domestic industry has suffered material injury. Price underselling is not a factor listed under the Annexure II. Therefore, there is no reason to examine price underselling. The Authority has examined injury margin for the participating producers which is found to be positive.
91. On the submission of the interested parties that the injury due to start-up costs and inefficiencies is required to be removed, the Authority notes that the applicant has not commenced commercial production in the injury period but the applicant's plant has been under operation over the entire injury period. Therefore, any injury cannot be due to such startup costs or inefficiencies.

**G.3.1 Cumulative assessment of injury**

92. Interested parties have made various submissions on cumulative assessment. Article 3.3 of the WTO Agreement and para (iii) of the Annexure II of the Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigations, the Authority will cumulatively assess the effect of such imports, in case it determined that:
- 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.
93. 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 counties is more than de minimis limits prescribed under the Rules.
  - b. The volume of imports from each of the subject counties is individually more than 3% of the total volume of imports.
  - c. Cumulative assessment of the effects of import is appropriate as the imports from the subject countries not only directly compete with the like articles offered by each of them but also the like articles offered by the domestic industry in the Indian market.
94. In view of the above, the Authority considers that it is appropriate to assess the effect of dumped imports of the subject goods from China PR, EU, Korea RP and Thailand on the domestic industry.

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95. The Authority notes that it is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration, while some others may not. The Authority considers all injury parameters and, thereafter, determines whether the domestic industry has suffered injury or is likely to suffer injury due to dumping. The Authority has examined the injury parameters objectively considering the facts and arguments submitted by the domestic industry and other interested parties.

**G.3.2 Assessment of demand/apparent consumption**

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Sales of domestic industry	MT	***	***	***	***
2	Trend	Indexed	100	102	91	90
3	Sale of other Indian producers	MT	***	***	***	***
4	Trend	Indexed	100	164	172	151
5	Imports from subject countries	MT	8,390	7,139	7,926	9,211
6	Trend	Indexed	100	85	94	110
7	Imports from other countries	MT	15.00	20.00	0.00	0.00
8	Trend	Indexed	100	133	0	0
9	Demand/consumption	MT	***	***	***	***
10	Trend	Indexed	100	111	110	109

97. It is seen that the demand has grown from \*\*\*\* MT in 2021-22 to \*\*\*\* MT in the POI. It is also seen that sales of the domestic industry have declined over the injury period. The other domestic producers manufacture PX-13 majorly from imported 4 ADPA, whereas the domestic industry manufacture it from captively produced 4 ADPA. The increase in sales of other Indian producer of PX-13 is allegedly due to increase in imports of 4 ADPA, which is investigated separately. The decline in sales volume of domestic industry is in tandem with the increase in import in the POI. The Authority has already initiated an anti-dumping investigation on imports of 4 ADPA.

**G.3.3 Volume effect of the dumped imports**

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

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SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Subject countries	MT	8,390	7,139	7,926	9,211
2	Trend	Indexed	100	85	94	110
3	Other countries	MT	15	20	0	0
4	Trend	Indexed	100	133	0	0
5	Imports from subject countries in relation to					
6	India production	%	***	***	***	***
7	Trend	Indexed	100	76	92	110
8	Indian demand	%	***	***	***	***
9	Trend	Indexed	100	77	86	100
10	Total imports	%	100%	100%	100%	100%
11	Trend	Indexed	100	100	100	100

99. It is seen that imports from the subject countries declined in 2022-23, as compared to 2021-22. The imports from the subject countries thereafter increased in 2023-24 and again increased in the period of investigation.
100. Imports from the subject countries in relation to Indian production decreased from 33% in 2021-22 to 25% in 2022-23, increased to 30% in 2023-24 and to 36% in the period of investigation. Similarly, imports from the subject countries in relation to Indian demand decreased from 30% in 2021-22 to 23% in 2022-23, increased to 26% in 2023-24 and to 31% in the period of investigation. Imports from the subject countries in relation to total imports remained almost 100% throughout the injury period.
101. It is thus seen that the imports first declined in 2022-23 and thereafter increased significantly till the period of investigation both in absolute terms and in relation to production and consumption in India.

### **G.3.4 Price effect of the dumped imports**

102. With regards to the effect of the dumped imports on prices of the domestic industry, it is required to be analysed 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 countries has been examined with reference to price undercutting, price suppression and price depression, if any. For the purpose of this analysis, the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with the landed price of imports of the subject goods from the subject countries.

#### **a. Price undercutting**

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

SN	Particulars	Unit	China PR	EU	Korea RP	Thailand	Average
1	Import volume	MT	2,927	1,795	1,333	3,156	9,211
2	Net sales realization	Rs/MT	***	***	***	***	***
3	Landed price	Rs/MT	2,59,368	2,50,507	2,61,361	2,60,695	2,58,384
4	Price undercutting	Rs/MT	***	***	***	***	***
5	Price undercutting	%	***	***	***	***	***
6	Price undercutting	Range	10-20%	10-20%	10-20%	10-20%	10-20%

104. The Authority notes that the subject imports are undercutting the prices of the domestic industry and the price undercutting is positive and significant.

**b. Price suppression/depression**

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Selling price	Rs/MT	***	***	***	***
2	Trend	Indexed	100	115	94	86
3	Change	Rs/MT	***	***	***	***
4	Cost of sales	Rs/MT	***	***	***	***
5	Trend	Indexed	100	104	99	94
6	Change	Rs/MT	***	***	***	***
7	Landed price	Rs/MT	3,19,504	4,09,105	2,74,496	2,58,384
8	Trend	Indexed	100	128	86	81
9	Change	Rs/MT		89,600	-1,34,609	-16,112

106. It is seen that

- In 2022-23, while the cost of sales increased by Rs \*\*\* per MT in comparison to 2021-22, the selling price increased at a greater rate of Rs \*\*\*per MT. This was the period when the import volume declined, and the import price had increased.
- In 2023-24, while the cost of sales declined by Rs \*\*\*per MT in comparison to 2022-23, the selling price declined at a greater rate of Rs \*\*\*per MT. This was the period when the import volumes increased, and the import price declined.
- In the period of investigation, while the cost of sales declined by Rs \*\*\*per MT in comparison to 2023-24, the selling price declined at a greater rate of Rs \*\*\*per MT.

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The import volumes had increased further in this period, and the import price had further declined.

- d. While the landed price of imports remained above the domestic industry's selling price during 2022-23, it declined drastically during the FY 2023-24 and the Period of Investigation (POI). Specifically, the landed price plummeted from ₹\*\*\* per MT in the first half of 2023-24 to ₹\*\*\*per MT in the second half of the same year (which serves as the first half of the POI, creating an overlapping period). Conversely, during the second half of the POI, the landed price saw a marginal recovery, increasing to ₹\*\*\*per MT.
107. It is therefore seen that the prices of the domestic industry are depressed in the period of investigation. The decline in the selling price is significantly higher than the decline in the cost of sales.
108. It is also seen that the landed price of imports is below the cost of sales and the selling price of the domestic industry in the period of investigation. The Authority holds that the landed price of imports has prevented the domestic industry from charging adequate remunerative prices in the period of investigation.

### **G.3.5 Economic parameters of the domestic industry**

109. 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**

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Capacity	MT	***	***	***	***
2	Trend	Indexed	100	100	103	108
3	Production	MT	***	***	***	***
4	Trend	Indexed	100	97	82	85
5	Capacity utilization	%	***	***	***	***
6	Trend	Indexed	100	97	79	79

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SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
7	Domestic sales	MT	***	***	***	***
8	Trend	Indexed	100	102	91	90

111. It is seen that:

- a. The capacity of the domestic industry remained the same in 2021-22 and 2022-23 and then increased in 2023-24 and further in the period of investigation. The domestic industry has submitted that it had undertaken de-bottlenecking in its plant. It is seen that the capacity with the domestic industry alone was sufficient to cater the demand for the product under consideration in the period of investigation. If capacity with other domestic producers is considered, the combined production capacities in the Country are sufficient to cater to the present and potential demand for the product in the Country.
- b. The production and capacity utilization of the domestic industry declined till 2023-24, despite increase in capacity of the domestic industry in 2023-24. Production marginally increased in the period of investigation. When seen over the injury period, production has declined despite increase in demand and capacities with the domestic industry.
- c. The domestic sales of the domestic industry increased in 2022-23 in comparison to 2021-22. The domestic sales thereafter declined in 2023-24 and further declined again in the period of investigation in comparison to 2023-24. The domestic sales have declined over the injury period.
- d. The demand for the product under consideration has seen an increase over the injury period. While the demand increased over the injury period, the domestic sales of the domestic industry declined.

**b. Market share**

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Domestic industry	%	***	***	***	***
2	Trend	Indexed	100	93	83	83
3	Other domestic producers	%	***	***	***	***
4	Trend	Indexed	100	148	156	138
5	Subject countries	%	***	***	***	***
6	Trend	Indexed	100	77	86	100
7	Other countries	%	***	***	***	***
8	Trend	Indexed	100	121	0	0

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

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- a. The market share of the domestic industry declined in 2022-23, further declined in 2023-24 and has thereafter remained the same in the period of investigation. The market share of the domestic industry has declined over the injury period.
- b. The market share of subject imports declined in 2022-23, then increased in 2023-24 and then further increased in the period of investigation.
- c. The market share of other domestic producers increased from 2021-22 to 2023-24. However, once imports from the subject countries intensified in the period of investigation, the market share of the domestic producers also declined in comparison to 2023-24.
- d. The other domestic producers import 4-ADPA (penultimate stage intermediate used for producing the product under consideration) from other countries in comparison to the domestic industry which is backward integrated and produces its own 4-ADPA. The domestic industry has claimed that these producers have access to low priced raw materials.
- e. The market share of the domestic industry in the period of investigation has remained the same as 2023-24 and declined by 9% in comparison to 2021-22 and 5% in comparison to 2022-23 despite increasing capacity and the domestic industry having sufficient capacity to cater the entire demand in India.

**c. Inventories**

114. Information with regard to inventory is given below.

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Opening inventory	MT	***	***	***	***
2	Trend	Indexed	100	459	614	645
3	Closing inventory	MT	***	***	***	***
4	Trend	Indexed	100	134	109	132
5	Average inventory	MT	***	***	***	***
6	Trend	Indexed	100	192	199	223

115. It is seen that the average inventory with domestic industry has consistently increased over the injury period. The average inventory has increased in the period of investigation, despite increase in demand and has remained at an all-time high.

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

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Profit/(Loss)	Rs Lakhs	***	***	***	***
2	Trend	Indexed	100	212	48	19
3	PBIT	Rs Lakhs	***	***	***	***
4	Trend	Indexed	100	212	48	20
5	Cash profit	Rs Lakhs	***	***	***	***

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SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
6	Trend	Indexed	100	193	56	33
7	Return on investment	%	***	***	***	***
8	Trend	Indexed	100	220	54	25

117. It is seen that

- a. The domestic industry's profitability increased in 2022-23 and thereafter declined steeply till the period of investigation.
- b. The domestic industry's profit before interest and taxes and cash profit have followed a similar trend and have increased in 2022-23 and thereafter declined steeply till the period of investigation.
- c. The return on investment of the domestic industry increased in 2022-23 and thereafter declined steeply in 2023-24 and the POI.

**e. Employment, productivity and wages**

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	No. of employees	No.	***	***	***	***
2	Trend	Indexed	100	109	98	98
3	Productivity per employee	MT/No.	***	***	***	***
4	Trend	Indexed	100	89	84	87
5	Productivity per day	MT/ Days	***	***	***	***
6	Trend	No.	100	97	82	85
7	Wages	Rs Lacs	***	***	***	***
8	Trend	Indexed	100	114	119	120

119. It is seen that:

- a. Number of employees of the domestic industry increased in 2022-23 in comparison to 2021-22. Number of employees declined in 2023-24 and thereafter remained the same as 2023-24 in the period of investigation.
- b. The decline in productivity per employee and productivity per day during the injury period reflects the adverse effects of dumped imports on the operations of the domestic industry. Dumped imports adversely impact production levels and resource utilisation resulting in domestic industry not able to utilise its production capabilities.
- c. Wages paid by the domestic industry have increased over the injury period.

**f. Growth**

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120. 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	%	0%	3%	5%
2	Production	%	-3%	-16%	4%
3	Domestic sales	%	2%	-11%	-1%
4	Profit/(Loss)	%	108%	-75%	-59%
5	PBIT	%	112%	-78%	-60%
6	Cash profit	%	112%	-77%	-59%
7	Profit before interest	%	93%	-71%	-41%

121. Based on the above, the Authority notes that a number of parameters showed a positive growth in 2022-23 but has thereafter shown a negative growth in both volume and price parameters till the period of investigation. Production and domestic sales of the domestic industry have declined in the period of investigation and are nowhere near the level these should have been. Price parameters, including profit, cash profit, profit before interest and taxes and return on capital employed of the domestic industry have also recorded a significant decline in the period of investigation.

**g. Ability to raise capital investment**

122. The Authority notes that the profitability in the period of investigation is very low. It is also seen that the return on capital employed by the domestic industry is significantly low, which would affect its ability to raise capital investments. The Authority also notes the contention of the domestic industry that no producer of the subject goods would want to invest in the market in the present situation.

**h. Factors affecting prices**

123. The Authority notes that the landed price of subject imports is below the selling price and cost of sales of the domestic industry in 2023-24 and the period of investigation. The landed price of subject imports has depressed the prices of domestic industry, leading to the domestic industry suffering significantly on both volume and price parameters. Therefore, the dumped imports are the only factors affecting the prices of the domestic industry.

**i. Magnitude of dumping.**

124. 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.3.6 Conclusions on injury.**

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

- a. The imports of the product under consideration have increased.
- b. The imports have increased in absolute terms and relative terms.

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- c. The landed price of imports is below the cost of sales and the selling price of the domestic industry in the period of investigation. The dumped imports are the only factors affecting the prices of the domestic industry
- d. The price undercutting is positive.
- e. While the cost of sales declined by Rs [\*\*\*] per MT in the period of investigation in comparison to 2023-24, the selling price declined at a greater rate of Rs [\*\*\*] per MT. The import volumes also increased in this period, and the import price had declined. This has led to price depression.
- f. The production and capacity utilization has declined over the injury period, despite increase in demand and capacities with the domestic industry.
- g. The domestic sales have declined over the injury period.
- h. The market share of subject imports declined in 2022-23, then increased in 2023-24 and then further increased in the period of investigation.
- i. The market share of the domestic industry has declined over the injury period.
- j. The average inventory has increased in the period of investigation, despite increase in demand and has remained at an all-time high.
- k. The domestic industry's profitability has declined steeply in the period of investigation. Profit before interest and tax and cash profit have followed a similar trend. The domestic industry has provided information that it has suffered losses in the post period of investigation.
- l. All the parameters have shown a negative growth in the period of investigation.
- m. The investigation has shown that the dumping margin is positive and significant during the period of investigation.

126. Therefore, the Authority concludes that the domestic industry has suffered injury.

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

127. The Authority examined whether any known factors other than the dumped imports have at the same time been injuring the domestic industry, and injury caused by these other factors should not be attributed to the dumped imports. It has been examined whether factors other than dumped imports could have contributed to injury to the domestic industry. The Authority notes neither the Act nor the Rules require dumping to be the sole cause of injury to the domestic industry for anti-dumping duty to be applied.

##### **a. Volume and price of imports from third countries**

128. The Authority notes that apart from the subject countries, imports have not been reported in significant quantities from any other country. Therefore, the injury is not attributable to imports from any country other than the subject countries.

##### **b. Contraction of demand**

129. The Authority notes that demand for the product under consideration has increased over the injury period. While the imports from the subject countries have increased, the domestic sales of the domestic industry have declined. Therefore, the contraction of demand is not a possible cause of injury to the domestic industry.

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130. 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**

131. 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**

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

**f. Productivity**

133. The decline in productivity per employee and productivity per day during the injury period reflects the adverse effects of dumped imports on the operations of the domestic industry. Dumped imports adversely impact production levels and resource utilisation resulting in domestic industry not able to utilise its production capabilities. The Authority notes that injury to the domestic industry cannot be because of decline in production capabilities.

**g. Export performance**

134. The Authority notes that the injury information examined hereinabove relates only to the performance of the domestic industry in terms of the domestic market.

**h. Performance of other products.**

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

**i. Causal link between dumping and injury.**

136. The Authority notes that other known factors which could have caused injury to the domestic industry have been duly examined in the non-attribution analysis above and do not appear to have caused injury to the domestic industry. The following factors establish that the injury to the domestic industry has been caused by dumped imports.

- a. The imports in the domestic market have been found to be at dumped prices. Because the imports are at dumped prices, the landed price of imports in the period of investigation has been below the selling price and cost of sales of the domestic industry resulting in positive price undercutting.
- b. As a result of the low-priced imports, the domestic industry has been forced to reduce its prices and has suffered price depression. Profitability of the domestic industry has declined in the period of investigation.

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- c. As a result of low prices, the dumped imports have also taken away the market share of the domestic industry. The market share of the imports has increased and that of the domestic industry has declined.
- d. The production and domestic sales of the domestic industry have declined in the period of investigation while the imports have increased.
137. In view of the foregoing, the domestic industry respectfully requests the Authority to conclude that a causal link exists between the dumped imports from the subject countries and the injury suffered by the domestic industry.

**I. MAGNITUDE OF INJURY MARGIN**

138. 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. The penultimate product, which is captively consumed in the subject goods, i.e. 4-ADPA has been optimized as per Annexure III of the Rules. A reasonable return @22% on average capital employed (i.e. average net fixed assets plus average working capital) for the subject goods and 4-ADPA was followed towards interest, tax and profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules.
139. 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.
140. 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	Particular	NIP	Landed Value	Injury Margin		
		(\$/MT)	(\$/MT)	(\$/MT)	%	Range
<b>1</b>	<b>China PR</b>					
	Sennics Group, China					
a	Sennics Co., Ltd. Anhui	***	***	***	***	10-20
b	Sennics Co., Ltd. Shandong	***	***	***	***	10-20

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c	Sennics Co., Ltd. Taian	***	***	***	***	10-20
d	Any other	***	***	***	***	30-40
<b>2</b>	<b>Thailand</b>					
a	Sennics (Thailand) Co., Ltd.	***	***	***	***	10-20
b	Any other	***	***	***	***	20-30
<b>3</b>	<b>Korea</b>					
A	Kumho Petrochemical Co. Ltd.	***	***	***	***	10-20
b	Any other	***	***	***	***	20-30
<b>4</b>	<b>European Union</b>					
a	Any other	***	***	***	***	20-30

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

### **J.1 Submission by opposing interested party**

141. The opposing interested party has made the following submissions with regard to Indian industry's interest and other issues:
- i. Imposition of duty will not be in public interest since PX-13 is a critical raw material used by various downstream industries.
  - ii. The domestic production of PX-13 is limited and insufficient to meet national demand.
  - iii. Anti-dumping duties on PX-13 have been in place continuously for almost twenty years, causing the Indian tyre industry to bear significant and sustained burdens in terms of higher raw material costs and reduced competitiveness.
  - iv. The tyre sector is simultaneously facing multiple ongoing investigations concerning its critical raw materials. Each of these proceedings carries the risk of additional duties. The combined impact of such measures will severely constrain the industry's ability to remain competitive in the domestic market.
  - v. The imposition of anti-dumping duty would impact the business of domestic importers of PX-13. Existing contracts of importers with exporters may be terminated or reduced because of the duty imposed, moreover, business relationships between Indian importers and suppliers (i.e. exporter) may be disrupted.
  - vi. Anti-dumping duty on imposition on PX-13 is counterproductive to India's key policies such as 'Make in India'.
  - vii. Anti-dumping duty on imposition on PX-13 will offset the benefit granted through Production Linked Incentive Scheme to downstream sectors in supply chain such as the automotive industry.
  - viii. There is no legal basis pursuant to which an anti-dumping duty to be recommended is presumed to be in public interest if the overall impact on the user industry is minimal.
  - ix. The applicant's conclusion that the impact of anti-dumping duty would be limited to 0.10–0.30% of total cost is misleading since it ignores the absolute size of the Indian tyre industry, where even an alleged 0.10% increase amounts to thousands

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of crores in additional burden, and it overlooks the fragile condition of the industry, which is already under pressure from global demand slowdown, volatility in raw material prices, and currency fluctuations.

**J.2 Submission by the applicant**

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

- i. The product under consideration does not form a critical part of the cost of the operations of the tyre producers and other rubber compound manufacturers. The table below shows the share of the product under consideration.

SN	Particulars	UOM	Value
1	Total purchase value of the product	Rs cr	862
2	Total raw material cost of tyre producers	Rs cr	60,170
3	Total cost of tyre producers	Rs cr	92,272
4	Total sales value of tyre producers	Rs cr	1,04,444
5	Share of product under consideration in		
6	Raw material cost	%	1.43%
7	Cost of production	%	0.93%
8	Sales	%	0.83%

- ii. The Authority in previously conducted investigations on the product under consideration have continuously shown the inability of other interested parties to substantiate the impact of anti-dumping duty on the user industry and consumers.
- iii. The very fact that none of the consumers from the non-tyre segment have registered themselves as interested parties in the present anti-dumping investigation demonstrates that the imposition of duty on the product under consideration has a negligible or insignificant impact on non-tyre segment consumers.
- iv. The installed capacity in India is more than enough to meet entire demand in India.
- v. The cumulative impact of anti-dumping duty on all products (various raw materials used by the user industry) on which either an investigation is ongoing, or measures are in force is a mere 0.7%.
- vi. The tyre industry is protected through existing anti-subsidy duty, import restriction and requirement of BIS license for imports.
- vii. The import value of the product under consideration over the injury period has been more than Rs \*\*\*Lakhs. In the period of investigation alone, the import value of the product under consideration amounted to Rs \*\*\*Lakhs. out of which Rs \*\*\*Lakhs was imported from the subject countries. This import is without the demand and supply gap in the country, thereby adding to the unnecessary trade deficit.
- viii. The imposition of anti-dumping duty would benefit the production of 4-ADPA in India. At present, the applicant's 4-ADPA plant (applicant being the sole producer of 4-ADPA in India) is operating at abysmally low-capacity utilization because of dumping of the product in the Indian market.

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- ix. Imposition of anti-dumping duty will not create any situation of monopoly since there are two other producers of the subject goods in Indian, namely Lanxess India Private Limited and Finorchem Limited.
- x. In case of procurement from the applicant, the consumers have the option of maintaining lower inventory levels in comparison to relying on imports for the same. Therefore, imposition of anti-dumping duty would be in the interest of consumers.

**J.3 Examination by the Authority**

- 143. The Authority considered whether imposition of anti-dumping duty will be against public interest. This determination is based on consideration of information on records and interests of the participating interested parties.
- 144. The Authority issued gazette notification inviting views from all the interested parties, including importers, consumers and other interested parties. The Authority also prescribed a questionnaire for the producers, users, importers to provide relevant information with regard to the present investigation, including possible effect of the anti-dumping duty on their operation. The Authority sought information on, inter-alia, interchangeability of the product supplied by the various suppliers from different countries, ability to switch sources, the effect of the anti-dumping duty on the consumers, the factors that are likely to accelerate or delay the adjustment to the new situation caused by the anti-dumping duty.
- 145. It is noted that the purpose of anti-dumping measures, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The Authority recognizes that the imposition of the anti-dumping duties might affect the price levels of the product under consideration as well as other downstream products manufactured by using the subject goods in India. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measures. On the contrary, the imposition of anti-dumping measures would prevent the decline in the performance parameters of the domestic industry caused as a consequence of low-priced imports from the subject countries and help maintain the wider availability of choices to the consumers of the product under consideration.
- 146. Four users, namely Apollo Tyres Limited, CEAT Limited, JK Tyre & Industries Limited, MRF Limited and Rishiroop Ltd. have filed the prescribed user/importer questionnaire response. The Authority had also prescribed an economic interest questionnaire which was sent to all interested parties in this investigation. The Authority notes that four users, namely Apollo Tyres Limited, CEAT Limited, JK Tyre & Industries Limited and MRF Limited have filed the prescribed economic questionnaire response. The users have claimed that anti-dumping duties will adversely affect the operations. However, none of these importers/users have provided any verifiable information in order to demonstrate the effect of anti-dumping duty on the consumers. This is in addition to the fact that none of the consumers from the non-tyre segment have registered themselves as interested

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parties in the present anti-dumping. This lack of evidence and silence of the stakeholders reinforces the necessity of anti-dumping measures to ensure fair trade practices.

147. The domestic industry has quantified the share of the product under consideration in the overall raw material cost, total cost and sales value of the tyre producers to be 1.43%, 0.93% and 0.83% respectively. The domestic industry has quantified the cumulative impact of anti-dumping duty on all products (various raw materials used by the user industry, namely TDQ, sulphenamides accelerators, PX-13, IIR, soluble sulphur) on which either an investigation is ongoing, or measures are in force. The domestic industry has shown that the cumulative effect of ADD on all these raw materials is a mere 0.7% on tyres costs.
148. Since the product under consideration forms a critical part of the tyre industry and other rubber compound manufacturers operations and since the impact of duty on the all products (various raw materials used by the user industry) on which either an investigation is ongoing is negligible, the Authority holds that there will be negligible impact of imposition of anti-dumping duty on the prices of the downstream industry.
149. The Authority further notes that the imposition of anti-dumping duty will not lead to scarcity of the subject goods in India. It is noted that anti-dumping duty does not restrict imports but ensures that imports are available at fair prices. The imposition of duty would, therefore, not affect the availability of the product. In any case, the capacity of the domestic industry is more than the demand in India, thereby ensuring that there remains sufficient supply in the country. There are two other domestic producers, namely Lanxess India Private Limited and Finorchem Limited as well supplying the product under consideration in the Indian market.

## **K. POST-DISCLOSURE COMMENTS**

### **K.1. Submissions by the other interested parties**

150. The following submissions have been made by the opposing interested parties on the disclosure statement:
- a. The domestic industry has enjoyed trade remedial protection on PX-13 and other rubber chemicals for nearly two decades through anti-dumping duties, safeguard measures and sunset reviews.
  - b. In the anti-dumping investigation concerning imports of PX-13 from China PR, Korea RP and the USA initiated in 2020, although the Authority recommended anti-dumping duties, the Central Government did not impose the recommended measures. This indicates that the broader economic and public interest considerations associated with such duties have been recognized previously.
  - c. The Authority has erred in rejecting the actual procurement cost of 4-ADPA reported by Sennics Thailand and substituting the same with import prices

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- prevailing in the European Union. The Authority has not identified any defect in the books and records maintained by Sennics Thailand.
- d. Article 2.2.1.1 of the WTO Anti-Dumping Agreement requires that costs normally be calculated on the basis of records kept by the exporter or producer, provided such records reasonably reflect the costs.
  - e. The Authority has not disclosed why the European Union was considered the appropriate reference market, whether alternative benchmarks were examined, or how such benchmark reasonably reflects the cost that would have been incurred by Sennics Thailand under normal market conditions.
  - f. Imposing anti-dumping duty on PX-13 is not in the public interest. PX-13 is a critical input for tyre and rubber manufacturing, sectors vital to automotive, transport, infrastructure, and exports.
  - g. The domestic industry is backward integrated and captively produces 4-ADPA. In contrast, the other domestic producers in India, namely Finorchem Limited and Lanxess India Private Limited, procure 4-ADPA from China PR and other countries at significantly lower prices. This structural cost advantage has enabled the other domestic producers to expand their production and sales substantially over the injury period. The competitive pressure faced by NOCIL Limited is therefore not attributable to imports of PUC, but rather to the structural cost disadvantage arising from its own captive production model vis-à-vis other domestic producers who benefit from cheaper imported 4-ADPA.
  - h. Injury to the domestic industry caused due to cheap imports of 4-ADPA into India and inter-se competition from other domestic producers who have access to low-cost raw material is not attributed to imports of subject goods from Korea RP.
  - i. There is no special relationship between Korea Kumho and Sennics China is also an exporter of 6PPD to India and is participating in the present investigation, which shows that the Respondent and Sennics are competing in the Indian market for subject goods.
  - j. During the POI, imports from Korea RP are substantially lower than imports from other subject countries. Furthermore, the import price from Korea RP at INR 2,61,361/MT is the highest among all subject countries.
  - k. The characterization of Rishiroop Limited as a "related importer" of the Respondent in Disclosure Statement is factually incorrect.
  - l. The INR/USD exchange rate has depreciated significantly from the rate of ₹84.27 per US prevailing during the POI to the current rate of approximately ₹94.47 per US prevailing during the POI to the current rate of approximately ₹94.47 per US, representing a depreciation of approximately 12%.
  - m. Anti-dumping duty on 4-ADPA will remedy the injury caused to NOCIL Ltd and anti-dumping duty on imports of PUC is unwarranted.
  - n. Should the Authority nonetheless determine that recommendation of anti-dumping duty is warranted, such duty ought to be recommended on a reference price basis for a limited period of two (2) years only.
  - o. The disclosure statement has been issued at the far end of the extended statutory timeline and interested parties have been afforded no reasonable opportunity to provide comments. Assuming that interested parties are able to submit detailed

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- comments within the prescribed period, it is impossible for the Authority to meaningfully address comments before issuance of the final findings on or before 28 June 2026. Reasons were sought from the Hon'ble Authority for the extension of the timeline of investigation by three months. No reasons have been provided.
- p. 22% return on capital employed has been considered without considering the historical return on capital employed.
  - q. Disclosure Statement rather than disclosing essential facts under consideration for the purpose of inviting comments has already rendered final and conclusive factual findings on the very issues.
  - r. The Authority has made contradictory statements as at one place in the disclosure statement it has been claimed that had anti-dumping duty on Aniline been the cause of injury, the domestic industry would have suffered injury over the entire injury period and on the other hand in the initiation notification of anti-dumping duty on 4 ADPA, the Authority has stated that the domestic industry has claimed material injury over the entire injury period. Even in the present case, the Authority has at various places held that the domestic industry has suffered declined in various parameters over the injury period.
  - s. The non-disclosure of the support extended by Finorchem Limited prevents interested parties from examining the nature of such support and assessing whether the supporting producer has in fact suffered injury.
  - t. The disclosure statement does not establish that the market share lost by the domestic industry was captured by subject imports but the data demonstrates that the most significant gain in market share during the injury period accrued to other domestic producers.
  - u. The entire computation concerning impact analysis is factually incorrect. The source of such data should be disclosed to the interested parties and without such verification should not be accepted.

**K.2. Submissions by the Domestic industry**

151. The following submissions have been made by the opposing interested parties on the disclosure statement:
- a. Domestic industry supports the Authority's determination regarding the normal value calculation for Sennics (Thailand) Co., Ltd and Kumho Petrochemical Co., Ltd. The Authority may further clarify in its final findings that the reported costs were considered not to reasonably reflect the costs associated with the production and sale of the product under consideration *because the purchases from the related supplier were found not to be at arm's length.*
  - b. Raw material cost of production cannot be relied upon for Kumho Petrochemical Co., Ltd. Company sourced 4-ADPA from Sennics Co., Ltd., China PR, with which it has a special relationship, thereby rendering the reported cost of production to not reasonably reflect the cost associated with the production and sale of PX-13.
  - c. While the Authority has examined all the factors listed under the rules, the Authority is requested to additionally examine the market opportunity lost by the applicant due to dumped imports considering the capacities available. The

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- applicant could have produced and sold more in the domestic market.
- d. Both the domestic sales and market share of the other producers increased till 2022-23 but has declined in the period of investigation when the dumped imports increased. The increase in the other domestic producers sales in 22-23 is the result of dumping of 4-ADPA. 4-ADPA is the penultimate stage intermediate in the production process of PX-13.
  - e. 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. Dumping of both 4 ADPA and PX-13 needs to be remedied. If only dumping of 4 ADPA is remedied, the marginal reduction in cost of production will not allow the industry to recover from the current situation of material injury in PX-13.
  - f. It is not even a situation where the domestic industry is seeking complete remedy against dumped imports. Injury margin determined for all the participating producers except Sennics Thailand, is lower than the dumping margin which demonstrates the competitiveness in the market.
  - g. The import price has continuously declined in the post the period of investigation. While the cost has also declined, the decline in the cost is far lower than decline in import price. The domestic industry was profitable in the period of investigation but has turned into losses.
  - h. Lack of effective participation and demonstration of impact of anti-dumping duty by importers/users, no demand supply gap and existence of other domestic producers show that the duties will not adversely affect the downstream industry.
  - i. The viability of the consumers cannot be dependent on access to raw material at unfair and dumped prices.
  - j. Anti-dumping measures benefit consumers as vibrant domestic industry ensures competitive pricing, shorter lead times, reduced forex risk, and strategic resilience against global disruptions, supply chain efficiency and foreign supplier dependence.
  - k. Domestic industry requests the Authority to consider that the anti-dumping duty is required to be extended for a period of 5 years.
  - l. The domestic industry has reported certain expenses in Format VI-2 [such as consumables stores and spares, salaries & wages and other manufacturing overheads] which are apportioned between different products on the basis of relative production. The company has reported optimisation of these expenses by considering production capacities and capacity utilisation at the location cumulatively for all the products.
  - m. Since the expense is fixed qua plant and variable qua product, the applicant has optimised the fixed expenses by considering best achieved capacity utilisation for the plant. Since it has been apportioned to the product in the ratio of production, it follows that these expenses are no longer fixed but variable for the product under consideration and therefore, it is inappropriate to consider capacity utilisation of the product under consideration.

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

152. The Authority has examined the post-disclosure submissions made by the interested parties. It is observed that the majority of these submissions are reiterations of arguments and contentions that have already been examined and are therefore addressed to the extent deemed necessary in the relevant paragraphs of these final findings. For the sake of brevity, the Authority has refrained from repeating responses to such issues in this post disclosure examination. However, any new issues raised for the first time in the post-disclosure submissions, as well as those previously addressed but deemed necessary to examine further, are addressed hereunder
153. The opposing interested parties have submitted that the domestic industry has availed of trade remedial protection for nearly two decades and the Ministry of Finance did not impose measures in the previous investigation. The Authority notes that each anti-dumping investigation is an independent proceeding and is required to be decided on the basis of the facts, evidence and circumstances prevailing during the relevant period of investigation. The existence of prior anti-dumping investigations and duties does not, by itself, constitute grounds for denying protection in a present investigation where dumping and consequent material injury are independently established. The recommendations for the imposition of the anti-dumping duty are made only after investigation by the Authority and when the requisite legal requirements are met. It is seen that the past measures leading to level playing field has led to the growth of the Indian industry as the domestic industry has expanded its capacity and the other producers have entered the domestic market. The fact that the Central Government may not have imposed duties following a prior recommendation does not negate the findings of dumping or injury in the present investigation. The Authority, therefore, does not find merit in this submission.
154. Sennics Thailand and Kumho Petrochemical Co. Ltd. have submitted that the Authority has erroneously rejected their actual procurement cost of 4-ADPA and substituted the same with EU import prices, without identifying any defect in their books and records and without establishing that the transactions were not at arm's length. The Authority has examined these submissions in the context of the facts on record. It is noted that 4-ADPA is the principal raw material used in the production of PX-13, accounting for the major share of the total cost of production. It is further noted that Sennics Thailand has procured 4-ADPA from its related entity Sennics Co., Ltd., China PR during the period of investigation. Similarly, Kumho Petrochemical Co. Ltd. has sourced 4-ADPA predominantly from the same non-market economy company (Sennics Group, China) with which it has been found to have a special relationship in earlier investigations. No evidence has been placed before the Authority in the present investigation to demonstrate that the status of the said company or the nature of the business relationship has undergone any change since the previous determination. The Authority finds that since the transactions between Sennics Thailand and Sennics Co., Ltd., China PR are between related entities within the same group, the procurement prices of 4-ADPA do not reflect arm's length market prices. The fact that 4-ADPA is procured from a related entity in a

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non-market economy country further compounds the non-market character of the procurement price.

155. The Authority observes that Article 2.2.1.1 of the WTO Anti-Dumping Agreement requires that costs shall ordinarily be computed on the basis of records maintained by the exporter or producer, provided such records reasonably reflect the costs associated with production and sale of the product under consideration. The Anti-Dumping Rules do not render the cost of production, as derived from the records maintained by the exporter, to be accepted sacrosanct. Annexure-I prescribes two cumulative conditions in this regard: first, that the records shall be maintained in accordance with Generally Accepted Accounting Principles; and second, that such records shall reasonably reflect the costs associated with the production and sale of the article under investigation. Both conditions are of equal legal significance and must be satisfied. the Authority has found that the actual transfer price of 4-ADPA paid by Sennics Thailand from its related entity Sennics China and by Kumho Petrochemicals, Korea from Sennics China is not at arm's length basis and does not reasonably reflect the costs associated with the production and sale of PX-13. Accordingly, the mere fact that cost of production is premised upon records maintained by the Sennics Thailand or Kumho Petrochemicals does not, ipso facto, require the Authority to adopt such costs without independently satisfying itself that the same reasonably reflect the costs associated with production and sale of the product under consideration.
156. It is also seen that this position finds support in WTO jurisprudence as well as the both the Panel and the Appellate Body in EU – Biodiesel (Argentina) held that where the prices recorded in an exporter's or producer's records do not reflect arm's length transactions, the investigating authority is entitled to conclude that such records do not reasonably reflect the costs associated with production and sale of the product under consideration.
157. With respect to the comments concerning the adoption of import prices from the European Union as a benchmark without adequate disclosure, the Authority notes that throughout the course of the present investigation, no interested party proposed any benchmark for the purposes of determining 4-ADPA prices. The Authority observes that 4-ADPA is primarily produced in China, European Union, and India. In the circumstances, the Authority had the option of relying either upon the domestic industry's cost of production or upon export prices from China or the European Union. However, since China has been treated as a non-market economy for the purposes of the present investigation, the costs and prices prevailing in China cannot be relied upon as a valid benchmark. Furthermore, the cost of production of the domestic industry is not available in the public domain and therefore, had it been adopted, interested parties would not have had the option to any comments. In view of the foregoing, the Authority has deemed it appropriate to adopt the export price of 4-ADPA from the European Union as the benchmark for the purposes of the present determination. Therefore, the Authority has concluded to use European Union as a benchmark. The interested parties are provided an

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opportunity to make comments on why export price from European Union is not an appropriate benchmark, however, no such comments have been filed.

158. The Authority has examined the submissions made by the domestic industry and other interested parties with respect to the performance of other domestic producers and the causal link between dumped imports and injury to the Indian industry as a whole and the structural disadvantages deployed by the domestic industry. The Authority notes that the domestic sales and market share of both the domestic industry and other domestic producers increased upto 2022-23 but witnessed a decline in the period of investigation. While the rate of increase of other domestic producers was higher, their domestic sales too have declined. The decline in the period of investigation coincides with the increase in dumped imports from the subject countries. The Authority, therefore, considers that the decline in performance is not confined to the domestic industry alone but is seen on the other producers as well.
159. It is further noted that the increase in the domestic sales of other producers in 2022-23 is attributable to their access to imported 4-ADPA, which is the penultimate stage intermediate in the production of PX-13 and has been *prima facie* found to be at dumped prices. Since other domestic producers have been able to source 4-ADPA at dumped prices, they have been better positioned to withstand pressure from dumped imports of PX-13 as compared to the domestic industry. The domestic industry, despite being backward integrated and possessing the capacity to cater to the entire domestic requirement of 4-ADPA at competitive prices, continues to suffer injury, as the other producers of PX-13 have been sourcing 4-ADPA from China rather than from the domestic industry. In view of the above, the Authority concludes that the contention that the domestic industry's performance has been affected by the other producers or the injury is due to internal inefficiency is without merit. The evidence on record establishes that the Indian industry as a whole has suffered material injury on account of the dumped imports of the subject goods.
160. On the comments of the interested parties contending that the imposition of anti-dumping duty on imports of 4-Amino Diphenylamine would be sufficient to remedy the injury suffered by the domestic industry, the Authority has, in the course of the present investigation, found that imports of PX-13 are entering the Indian market at dumped prices and that such dumped imports have caused material injury to the domestic industry. While it is acknowledged that a separate anti-dumping investigation on imports of 4-ADPA is already underway, the existence of such a parallel investigation does not in any manner dilute or displace the findings of injury established in the present investigation concerning PX-13. The Authority recognises that the imposition of anti-dumping duty on 4-ADPA would benefit the domestic industry as it would be better positioned to increase its domestic sales of 4-ADPA, which in turn could enable it to achieve a more optimum level of capacity utilisation in its 4-ADPA operations. Any such improvement in the utilisation of 4-ADPA manufacturing capacities could marginally

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reduce the per unit cost of production of PX-13, given the integrated nature of operations. However, the Authority notes that this indirect does not constitute an adequate remedy for the injury suffered in the PX-13. The domestic industry has provided information showing how only remedy of dumping on 4 ADPA will not address the injury suffered in PX-13. Therefore, the Authority considers that the adverse effect of dumped imports of PX-13 cannot be mitigated merely through a reduction in the cost of production of PX-13 arising from better utilisation of 4-ADPA capacities. The Authority, therefore, concludes that the anti-dumping duty on 4-ADPA, whether existing or proposed, does not render the levy of anti-dumping duty on PX-13 unnecessary or unjustified.

161. The opposing interested parties have submitted that the imposition of anti-dumping duty on PX-13 is not in public interest as it would adversely impact the tyre and rubber manufacturing industry. The Authority notes that it has examined the public interest question extensively in Section J.3 of the disclosure statement. As determined therein, the share of the product under consideration in the overall raw material cost, total cost and sales value of the tyre producers is 1.43%, 0.93% and 0.83% respectively, and the cumulative impact of anti-dumping duty on all raw materials on the tyre industry is a mere 0.7%. The impact of duty on the downstream industry is, therefore, found to be negligible. The installed capacity of the domestic industry is more than sufficient to cater to the entire demand in the country. There are two other domestic producers, namely Lanxess India Private Limited and Finorchem Limited, who also supply the product in the Indian market, thereby ensuring adequate availability and competition. The Authority therefore holds that the imposition of anti-dumping duty is in the public interest and does not find merit in the submission of the opposing interested parties on this count.
162. Kumho Petrochemical Co. Ltd. has submitted that the characterization of Rishirop Limited as its "related importer" in the Disclosure Statement is factually incorrect. The Authority has examined this submission. The Authority notes that the reference to Rishirop Limited as a "related importer" in the Disclosure Statement was a typographical error and the same is accepted.
163. The Authority has examined the comments made by interested parties claiming that the recommended duty quantum should be adjusted on account of the depreciation of the Indian Rupee against the US Dollar subsequent to the period of investigation. The Authority does not find merit in these submissions. The anti-dumping investigations are conducted with reference to the period of investigation, and the exchange rate prevailing during the said period are relevant. This exchange rate has been considered for determination of the non-injurious price and the normal value. The participating producers from the subject countries have invoiced their product in US dollar. Furthermore, the entire determination in the present investigation of normal value, export price, dumping margin and the injury margin has been made in US Dollars. It would, therefore, be neither appropriate to express the resultant duty in any other currency. Post-period of investigation fluctuations in exchange rates do not constitute a relevant consideration for the purposes of the present determination, as the duty is intended to offset the margin of dumping as established during the period of investigation and not to compensate for subsequent macroeconomic developments. Since the subject goods are

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imported and invoiced in US Dollars, any depreciation of the Indian Rupee against the US Dollar would correspondingly increase the landed value of the imported goods in INR terms. The USD denomination, therefore, serves the remedial intent of the measure more faithfully than an INR-denominated equivalent.

164. In respect of submission on NIP determination, it is noted that optimisation of production capacity and determination of NIP is as per the principles for determination of NIP contained in Annexure III of ADD Rules.
165. The investigation was conducted transparently and as prescribed, with adequate opportunity afforded to all interested parties to file questionnaire responses, participate in two oral hearings, make post-hearing submissions and rejoinders, and comment on the Disclosure Statement. The Authority and interested parties were aware of the contested issues well in advance and therefore interested parties cannot plead lack of awareness. Having considered other interested parties post-disclosure comments, and having regard to the totality of opportunities afforded and the time-bound nature of these proceedings, the Authority finds that no prejudice has been occasioned by the timeline for Disclosure Statement comments, and the request for extension of time is not accepted.
166. It has been argued by certain interested parties that for the determination of the non-injurious price, the Authority has considered return on capital employed at the rate of 22%, without providing reasons therefore and without disclosing the historical rate of return on capital employed earned by the domestic industry. The Authority considers that it has been consistent practice to consider 22% return on capital employed. CESTAT in various investigations has held 22% return is appropriate specially in the absence of any evidence to the contrary. The Authority notes that in the present investigation, no evidence/submissions have been made by interested parties substantiating why 22% return on capital employed is not justified while determining the non-injurious price.
167. It has been argued by certain interested parties that the Authority has used conclusive and determinative language in the Disclosure Statement in contravention of the mandate under Rule 16, which does not allow the Authority to conclude contentious issues at the stage of the Disclosure Statement. The Authority considers that the contention is misplaced. The Authority notes that under Rule 16, the Authority is required to disclose the essential facts under consideration, including conclusions on such facts, which would cumulatively form the basis for the Authority's decision to recommend or not recommend imposition of definitive measures in the final finding. The Authority notes that in line with the above, in the Disclosure Statement issued in the present case, it has examined the material on record, stated its views and conclusions resulting from such examination, and provided its reasoning therefor. It has been stated in the disclosure statement that notwithstanding the facts given (including facts given on a confidential basis), the Designated Authority would consider all replies given on merit, in order to arrive at a final determination. Thus, it was communicated that the disclosure statement is only a disclosure of essential facts under consideration by the Designated Authority

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and does not amount to final determination by the Designated Authority. The Authority draws reference to the findings of the High Court of Gujarat in *Nirma Limited v Union of India* (2017), wherein the Court held:

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

168. On the comments that the Authority has made contradictory statements, the usage of the term "over the injury period" used are distinct. The "over the injury period" used with regarding attribution of injury due to the anti-dumping duty imposed on Aniline has been used to imply that had the anti-dumping duty on Aniline been the cause for the injury suffered by the domestic industry, such injury would have persisted throughout the entirety of the injury period. The absence of such injury throughout the injury period therefore shows that anti-dumping duty on Aniline is not the cause of injury. The "over the injury period" employed in the context of trend analysis for production, sales, and market share has been used to imply that these parameters have shown a declining trend when assessed over the said period.
169. On the reasons sought for seeking extension of the timeline of investigation by three months, The Authority notes that the extension of the period of investigation beyond one year is granted by the Central Government under the proviso to Rule 17(1) of the AD Rules in exercise of its discretion in special circumstances. The decision on whether to seek and grant an extension is a matter between the investigating authority and the Central Government. The extension in the present case was duly notified to all interested parties through the relevant gazette notification. The AD Rules and the DGTR Manual do not contemplate disclosure of the internal reasons for seeking or granting an extension as an obligation upon the Designated Authority under Rule 16, which is confined to disclosure of essential facts bearing on the determination of dumping, injury and causal link. It is however clarified the Authority is also conducting an anti-dumping

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investigation on the imports of 4 ADPA, which is the raw material for the product under consideration. The interested parties have filed large number of comments stating that the injury suffered by the domestic industry is due to the other producers having access to low-cost raw material. It was therefore considered appropriate to examine the information of the domestic industry and the participating exporters in both the cases simultaneously.

170. As regards the contention of the interested parties regarding the alleged procedural infirmity in reliance on support from Finorchem Limited and the injury suffered by Finorchem Limited. The Authority notes that the injury is required to be examined with regard to the defined domestic industry. It is noted that, even in the absence of such support, the applicant constitutes a major proportion of the domestic production. In the present case, no evidence has been made available by any interested party that Finorchem Limited is not suffering injury. Therefore, there is no reason for the Authority to examine the data of Finorchem Limited.
171. The Authority considers that statements in the disclosure statement are the views which are formed upon the examination of the material on record, on the various issues under consideration and these do not amount to “pre-judgement” or “final adjudication”, as expressed by some interested parties. The interested parties are free to offer comments and the Authority in past various investigations has taken a different view in the final finding as compared to the disclosure statement. The observations in the disclosure statement do not amount to final determination by the Authority. In the present investigation, the Authority has duly considered the comments received from the interested parties and has duly taken them into account in arriving at its final determination.
172. The Authority notes that the form and quantum of duty to be recommended are matters within the Authority's determination based on the facts and circumstances of each case, and subject to the lesser duty rule as prescribed under the Anti-Dumping Rules.

### **L. CONCLUSION**

173. Having regard to the contentions raised, information provided, and submissions made by the interested parties and facts available before the Authority, as recorded in the above findings, and based on above analysis of the dumping, injury and causal link to the domestic industry, the Authority concludes as follows:
- a. The product under consideration (PUC) in the present application is “N-(1,3 dimethylbutyl)-N'-phenyl-p-phenylenediamine” or also known as “PX-13” or “6 PPD”.
  - b. On domestic industry and standing
    - i. The applicant is the major producer of the product and accounts for 65% share in total Indian production.
    - ii. 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.
  - c. On normal value and export price
    - i. Producers from China PR, Korea RP and Thailand have participated in the present investigation. There is no response from European Union.

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- ii. China PR is presumed as a non-market economy country since none of the producers/exporters from China PR have provided sufficient evidence to rebut this presumption as mentioned in para 8 of Annexure – I of the Rules.
  - iii. Sennics (Thailand) Co., Ltd. has purchased 4-ADPA (raw material) from its subsidiary Sennics Co., Ltd., China PR in the POI. Since the use of actual purchase price of 4-ADPA by Sennics (Thailand) Co., Ltd. from Sennics Co., Ltd., China PR would not reasonably reflect the cost associated with production of PX-13, the consumption price of 4-ADPA reported by Sennics (Thailand) Co., Ltd. has not been adopted for the purpose of determination of cost of production. Rest of the cost of production of PX-13 as claimed by Sennics (Thailand) Co., Ltd. has been accepted.
  - iv. Kumho Petrochemical Co., Ltd. has largely sourced 4-ADPA from a non-market economy company with whom Kumho Petrochemical had earlier reported in previous investigations to have special relationship. Since the use of actual purchase price of 4-ADPA by Kumho Petrochemical Co., Ltd. from the non-market economy company not reasonably reflect the cost associated with production of PX-13, the consumption price of 4-ADPA reported by Kumho Petrochemical Co., Ltd. has not been adopted for the purpose of determination of cost of production. Rest of the cost of production of PX-13 as claimed by Kumho Petrochemical Co., Ltd. has been accepted.
  - v. The response filed by the producers from China PR, Korea RP and Thailand shows that the product has been exported to India at dumped prices.
  - vi. The dumping margin for the product under consideration from each of the subject countries is seen to be more than de minimis.
- d. On injury and causal link
- i. The imports from the subject countries have increased in absolute and relative terms when compared to the immediately preceding year.
  - ii. The price undercutting is positive.
  - iii. In the period of investigation, the landed price of imports is below the cost of sales and selling price of the domestic industry. Therefore, while the cost has declined by 5 index points, the selling price has declined by 8 index points. The prices of the domestic industry were depressed.
  - iv. The production, domestic sales and capacity utilization of the domestic industry declined in the period of investigation when seen over the injury period.
  - v. The profitability of the domestic industry improved in 2022-23; however, it declined significantly thereafter and remained at a substantially lower level during the period of investigation.
  - vi. The dumped imports have affected the prices of the domestic industry.
  - vii. The investigation did not show any other factor other than dumping from the subject countries which could have caused injury to the domestic industry.
- e. On Indian industry interest
- i. There is no demand and supply gap in the country and the capacity with the country is sufficient to cater the entire demand in the country.
  - ii. The domestic industry is suffering material injury, and the imposition of anti-dumping duty will be in interest of domestic producer.

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- iii. A domestic industry is in overall public interest ensures competitive pricing, shorter lead times, reduced forex risk, and strategic resilience against global disruptions, supply chain efficiency and foreign supplier dependence.
- iv. The impact of duty on the end consumers is found to be insignificant as the product under consideration forms very low share in the overall raw material cost of the downstream industry.
- v. The imposition of duties will not be against public interest.

**M. RECOMMENDATIONS**

174. 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 aspect of dumping, injury, causal link and impact of recommended measures. Having initiated and conducted the investigation into dumping, injury, and causal link in terms of provisions laid down under the Anti-Dumping rules, the Authority is of the view that imposition of anti-dumping duty is required to offset the dumping and injury. The Authority considers it necessary and recommends imposition of anti-dumping duty on imports of the subject goods from the subject countries.

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

**DUTY TABLE**

SN	Heading	Description	Country of origin	Country of export	Producer	Amount	UOM	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	29215120, 29215130, 29215190, 38121000, 38122090, 38123100, 38123910, 38123920, 38123930	N-(1,3 dimethylbutyl)-N'-phenyl-p-phenylenediamine (also known as PX-13)" (Note 2)	China	Any country including China	Sennics Co., Ltd. Anhui,  Sennics Co., Ltd. Shandong  and	511	MT	\$

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	and 38123990. (Note 1)				Sennics Co., Ltd. Taian			
2	-do-	-do-	China	Any country including China	Any producer other than mentioned in SN 1	930	MT	\$
3	-do-	-do-	Any country other than China, European Union, Korea, and Thailand	China	Any producer	930	MT	\$
4	-do-	-do-	European Union	Any country including European Union	Any producer	576	MT	\$
5	-do-	-do-	Any country other than China, European Union, Korea, and Thailand	European Union	Any producer	576	MT	\$
6	-do-	-do-	Korea	Any country including Korea	Kumho Petrochemical Co. Ltd.	551	MT	\$
7	-do-	-do-	Korea	Any country including Korea	Any producer other than mentioned in SN 7	768	MT	\$
8	-do-	-do-	Any country other than China, European Union, Korea, and Thailand	Korea	Any producer	768	MT	\$

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9	-do-	-do-	Thailand	Any country including Thailand	Sennics (Thailand) Co., Ltd	307	MT	\$
10	-do-	-do-	Thailand	Any country including Thailand	Any producer other than mentioned in SN 9	541	MT	\$
11	-do-	-do-	Any country other than China, European Union, Korea, and Thailand	Thailand	Any producer	541	MT	\$

Note 1 – Customs classification mentioned above is only indicative.

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

“I, the undersigned, certify that the (volume) of N-(1,3 dimethylbutyl)-N'-phenyl-p-phenylenediamine (also known as PX-13) sold for export to the India covered by this invoice was manufactured by (producer 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.

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

**Amitabh Kumar**  
(Designated Authority)