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F. No. 6/48/2026-DGTR
Government of India
Ministry of Commerce & Industry
Directorate General of Trade Remedies (DGTR)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi- 110001

Dated: 30th September 2026

INITIATION NOTIFICATION

Case No. - CVD/OI/008/2026

Subject: Initiation of countervailing duty investigation concerning imports of “Insoluble Sulphur” originating in or exported from China PR.

1. **F. No. 6/48/2026-DGTR**: Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the ‘Act’) and the Customs Tariff (Identification, Assessment, and Collection of Countervailing Duty on Subsidised Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the ‘Rules’ or ‘CVD Rules’), OCCL Limited (hereinafter referred to as the “applicant”) has filed an application before the Designated Authority (hereinafter referred to as the “Authority”) for initiation of a countervailing duty investigation concerning imports of Insoluble Sulphur (hereinafter referred to as the “subject goods” or “product under consideration” or “PUC”) originating in or exported from China PR (hereinafter referred to as the “subject country”).
2. The applicant has alleged that the producers/exporters of the subject goods in the subject country have benefitted from the actionable subsidies provided at various levels by the Government of the subject country, including the Governments of different Provinces and Municipalities in which producers/exporters are located, and other ‘Public Bodies’. The applicant has relied upon the relevant Laws, Rules and Regulations and other Notifications of the relevant Government Agencies and Public Bodies available in the public domain and on the determination of various investigating authorities which have conducted comprehensive investigation of such schemes and concluded the existence of countervailable subsidy programs.

BACKGROUND

3. An anti-dumping investigation concerning imports of the subject goods from China PR and Japan was initiated vide Notification No. 6/01/2024-DGTR dated 27th March 2024. Pursuant to the investigation, the Authority, through its final findings issued vide F. No. 06/01/2024-DGTR dated 7th March 2025, recommended the imposition of anti-dumping duties on imports of the subject goods originating in or exported from China PR and Japan for a period of five years. The Ministry of Finance implemented the recommended duties vide Notification No. 13/2025-Customs (ADD) dated 6th June 2025.
4. An anti-absorption investigation was initiated vide Notification No. 7/03/2026-DGTR dated 20th March 2026 to determine the existence and effect of absorption of the anti-dumping duty on exports of the product under consideration from China PR. Vide final findings Notification F. No. 7/03/2026-DGTR dated 18th September 2026, the Authority concluded that there was a need for modification of the quantum of duty, in view of the decline in export price post imposition of duty, without a commensurate decline in cost of production.

PRODUCT UNDER CONSIDERATION

5. The product under consideration is the “Insoluble Sulphur” (hereinafter also referred to as “subject goods” or “product under consideration” or “PUC”). Insoluble sulphur by definition, is a polymeric sulphur, which is insoluble in carbon disulphide (CS₂). Insoluble Sulphur is generally used as a vulcanization agent in some rubber applications in order to resist the blooming phenomenon which is detrimental to rubber compound.
6. Insoluble sulphur is an important rubber additive agent. It improves product quality, wearability and resistance to both fatigue and ageing. In addition to being universally recognized as the best vulcanizing agent, it is widely used in the manufacture of tyre, tread, shoes, all kinds of automobile rubber parts and other rubber products. Therefore, due to its non-blooming characteristic, insoluble sulphur is widely used in the manufacture of rubber products in which common sulphur is incorporated in high proportion. Based on the end-user industry, out of the total consumption of insoluble sulphur in India, more than 90% is used in the tyre industry and the remaining is used in non-tyre industry.
7. The unit of measurement considered in the present investigation for the product under consideration is Metric Tons (MT).

8. The product under consideration is classifiable under tariff items 2802 00 10 and 3812 39 30 of the First Schedule to the Customs Tariff Act, 1975. The product under consideration is also imported under tariff item 3824 99 00. However, Customs classifications are indicative only and in no way binding on the scope of this investigation.
9. The applicant has not proposed any PCN methodology. The interested parties are advised to furnish their comments/suggestions on the scope of the PUC and PCN methodology, if any, within 15 days from the date of transmission of the intimation letters, containing inter alia, the non-confidential version of the application and the respective questionnaire(s), to the known interested parties and the diplomatic representative(s) of the subject country.

LIKE ARTICLE

10. The applicant has stated that there is no known difference in the article produced by the applicant and imported from subject country. The article produced by the applicant and that imported from the subject country are comparable in terms of physical & chemical characteristics, functions & uses, pricing, distribution & marketing, and tariff classification of the subject goods. The subject goods imported from the subject country and the article manufactured by the applicant are technically and commercially substitutable. The consumers have used and are using the two interchangeably. Thus, for the purpose of initiation of the present investigation, the subject goods produced by the applicant are being treated as “like article” to the product under consideration imported from the subject country.

DOMESTIC INDUSTRY AND STANDING

11. The present application has been filed by OCCL Limited. The applicant is the sole producer of the subject goods in India. The applicant is not related to any exporter of the subject goods in the subject country or any importers of the subject goods in India.
12. The applicant has submitted that it imported a minuscule quantity of the product under consideration from the subject country during the period of investigation into its Special Economic Zone (“SEZ”) unit. The applicant has submitted that the aforesaid imports were made solely for product technical evaluation and R&D activities undertaken in its SEZ unit. The applicant has further submitted that, in any event, the volume of such imports is minuscule in terms of its own production, sales, total imports and the demand of the subject goods in India.

13. The applicant submits that the imports were minuscule in volume and were made into the applicant's SEZ unit for the stated purpose of product technical evaluation and R&D activities. In view of the foregoing, the Authority considers, that such imports do not warrant the exclusion of the applicant from the scope of the domestic industry under Rule 2(b) of the CVD Rules.
14. In view of the above and after examination of the application, the Authority considers that the applicant domestic producers account for a major proportion of the Indian production during the period of investigation and constitute domestic industry within the meaning of Rule 2(b) of the rules and the application satisfies the requirements of the Rule 6(3) of the Anti-Subsidy Rules.

SUBJECT COUNTRY

15. The application has been filed against subsidised imports of product under consideration originating in or exported from China PR.

PERIOD OF INVESTIGATION

16. The period of investigation (hereinafter also referred to as the "**POI**") for the present investigation is 1st April 2025 to 31st March 2026 (12 months). The injury investigation period will cover the periods 1st April 2022 to 31st March 2023, 1st April 2023 to 31st March 2024, 1st April 2024 to 31st March 2025 and the POI.

BASIS OF ALLEGED SUBSIDISATION

17. The *prima facie* evidence provided by the applicant shows that the producers and exporters of the subject goods in the subject country have benefitted from a number of subsidy schemes/programmes, either granted by the government of China PR or through various local and municipal level authorities, and/or its respective public bodies as listed below. The domestic industry has submitted that there is sufficient evidence showing that the exporters/producers of the subject goods have received subsidies in the form of grants, loans, guarantees, taxes, export credits, goods and services, or equity infusions, which confer a countervailable benefit. The information provided by the applicant contains sufficient evidence to *prima facie* establish the below mentioned programmes constitute actionable subsidies as per the Agreement on Subsidies and Countervailing Measures and the CVD Rules.

18. The following subsidies/programmes were provided by the Government of China PR and the exporters/producers of the subject goods in the subject country may have benefitted from these subsidies:

Programme	Name of the programme	Group
1	Treasury Bond Loans	Preferential lending
2	Preferential Loans for SOEs	Preferential lending
3	Loan or Interest Forgiveness for SOEs	Preferential lending
4	Shandong Province Policy Loans	Preferential lending
5	Income Tax Reduction for High or New Technology Enterprises (HNTE)	Tax and VAT incentives
6	Income Tax Deductions for R&D Expenses	Tax and VAT incentives
7	Income Tax Credits for Domestically Produced Equipment	Tax and VAT incentives
8	Reduction/Exemption from Fixed Assets Investment Orientation Regulatory Tax	Tax and VAT incentives
9	Reduced Income Tax Rate for HNTEs	Tax and VAT incentives
10	Income Tax Benefits for Domestically owned Enterprises Engaging in R&D	Tax and VAT incentives
11	Import Tariff and VAT Exemptions for FIEs and Certain Domestic Enterprises Using Imported Equipment	Tax and VAT incentives
12	Provision of Land in Industrial Zones for LTAR	Goods/services at LTAR
13	Provision of Electricity for LTAR	Goods/services at LTAR
14	Export Assistance Grants from Local Governments	Export financing/programmes
15	Development of Famous Brands and China World Top Brands	Export financing/programmes
16	Preferential Tax Treatment of Additional Calculation and Deduction of R&D Expenses	Tax and VAT incentives

17	Preferential Tax Policies for Enterprises Transferring Technology	Tax and VAT incentives
18	Preferential Tax Treatment for Import of Equipment	Tax and VAT incentives
19	VAT Input Tax Credit Refund Policy	Tax and VAT incentives
20	Shandong Province Policy Loans	Preferential lending
21	Interest Subsidy for Transformation of Scientific Achievements	Regional subsidies
22	Provincial Subsidy for Scientific and Technological Insurance Premium, Guarantee Premium and Risk Compensation	Regional subsidies
23	Subsidy Policy for Enterprise Research and Development	Regional subsidies
24	Special Fund for Industrial Economic High-Quality Development	Regional subsidies
25	Reward Fund for Transformation of Scientific Achievements	Regional subsidies
26	Fund to Promote High-Quality Development of Advanced Manufacturing Industry	Regional subsidies
27	Special Fund for Energy Saving Technology Reform	Grants (residual)
28	Fund for Clean Production and Water Treatment	Grants (residual)
29	Preferential Loans by the Export-Import Bank (Going Out) for Outbound Investment	Export financing/programmes
30	Preferential Lending for Industrial Readjustments	Preferential lending
31	Shareholder Loans (Debt Forgiveness)	Equity related
32	Discounted Loans for Export-Oriented Enterprises	Export financing/programmes
33	Income Tax Credits on Purchases of Domestically Produced Equipment	Tax and VAT incentives
34	Stamp Tax Exemption on Share Transfers under NTSR	Tax and VAT incentives

35	Foreign Trade Development Fund	Export financing/programmes
36	Export Credits from China's Export-Import Bank	Export financing/programmes
37	Policy Loans (Preferential Lending)	Preferential lending
38	Clean Production Technology Fund	Grants (residual)
39	Provision of Land/Land Use Rights for LTAR	Goods/services at LTAR
40	Land Use Rights at LTAR for Foreign Invested Enterprises	Goods/services at LTAR
41	Research and Development Assistance Grant	Grants (residual)
42	Preferential Tax Policies for High and New Technology Companies	Tax and VAT incentives
43	Tax Policies for Deduction of R&D Expenses	Tax and VAT incentives
44	Export Assistance Grant	Export financing/programmes
45	Reimbursement of Anti-Dumping/CVD Legal Expenses by Local Governments	Grants (residual)
46	Export Credit Insurance Subsidy	Export financing/programmes
47	Government Policy Lending	Preferential lending
48	Special Fund for Air Pollution Control (Anhui Province)	Regional subsidies
49	Provision of Shipping for LTAR	Goods/services at LTAR
50	Foreign Trade Development Fund Grants	Export financing/programmes
51	Export Credits from China's Export-Import Bank	Export financing/programmes
52	Export Buyer's Credit	Export financing/programmes
53	Export Seller's Credit	Export financing/programmes

54	Famous Brands Program	Export financing/programmes
55	Reward and Subsidy for Reducing Financing Guarantee Fees	Preferential lending
56	Preferential Tax Treatment for Environmental Protection, Water and Energy Conservation Projects	Tax and VAT incentives
57	Preferential VAT Treatment for Integrated Utilization of Resources	Tax and VAT incentives
58	Fund for Air Pollution Control	Grants (residual)
59	Preferential Tax Treatment on Financing	Tax and VAT incentives
60	Provision of Water for LTAR	Goods/services at LTAR
61	Income Tax Refund for Re-investment of FIE Profits	Tax and VAT incentives
62	Reduced Tax Rate for Productive FIEs	Tax and VAT incentives
63	Income Tax Reduction for Advanced Technology FIEs	Tax and VAT incentives
64	Tax Reductions for Technology or Knowledge-Intensive FIEs	Tax and VAT incentives
65	Accelerated Depreciation of Fixed Assets	Tax and VAT incentives
66	Debt for Equity Swaps	Equity related
67	Equity Infusions	Equity related
68	Unpaid Dividends	Equity related
69	Dividend Exemption Between Qualified Resident Enterprises	Tax and VAT incentives
70	Policy Loans to the Chemicals Industry	Preferential lending
71	Preferential Financing under One Belt One Road Initiative	Export financing/programmes
72	Credit Guarantee by GOC	Export financing/programmes

73	Grants through Provincial Fund for Fiscal and Technological Innovation	Regional subsidies
74	State Special Fund for Promoting Key Industries and Innovation Technologies	Regional subsidies
75	Superstar Enterprise Grant	Regional subsidies
76	VAT Refunds for FIEs Purchasing Domestically Produced Equipment	Tax and VAT incentives
77	Local Income Tax Reduction Program for Productive FIEs	Tax and VAT incentives
78	Tariff and VAT Exemption for Imported Equipment	Tax and VAT incentives
79	Preferential Tax Policies for Foreign Invested Export Enterprises	Tax and VAT incentives

19. It has been alleged that the above schemes are subsidies since they involve a financial contribution from the Government of subject country, including public bodies and confer benefits to the recipients. They are also alleged to be contingent upon export performance and/or limited to certain enterprises or groups of enterprises and/ or products and/ or regions, therefore, are specific and countervailable.
20. The Designated Authority reserves the right to investigate other subsidies, which may be found to exist and availed by the producers and exporters of the subject goods in subject country, during the course of the investigation.

CONSULTATION

21. In terms of Article 13 of the Agreement on Subsidies and Countervailing Measures (hereinafter referred to as “ASCM”), opportunity for consultation was given to the Government of China PR, by scheduling a meeting on **28th September 2026**. However, Government of China PR did not attend the meeting. Accordingly, the Authority is proceeding with the initiation of investigation.

INJURY AND CAUSAL LINK

22. Information furnished by the applicant has been considered for assessment of injury to the domestic industry. The domestic industry has furnished prima facie evidence regarding

material injury on account of the volume effects and price effects of the subsidised imports, together with their consequent impact on the domestic industry. The domestic industry has suffered adverse effects in respect of market share, capacity utilisation, profitability, cash profits, return on capital employed, growth and price performance, and has been prevented from fully benefiting from the growth in demand in the Indian market. It has been claimed that the price suppression and depression caused by the subsidised imports have prevented the domestic industry from increasing its prices to recover the full cost and achieve a reasonable rate of return. The persistence of such injury, despite the anti-dumping duties presently in force, further demonstrates that the subsidised imports continue to enter the Indian market at injurious prices. Thus, the evidence provided by the applicant *prima facie* shows material injury to the domestic industry caused by the alleged subsidised imports from the subject country.

INITIATION OF THE COUNTERVAILING DUTY INVESTIGATION

23. On the basis of the duly substantiated application by the domestic industry, and having satisfied itself, on the basis of the *prima facie* evidence submitted by the domestic industry, substantiating subsidization of the subject goods originating in or exported from the subject country, injury to the domestic industry and causal link between such alleged subsidization and injury, and in accordance with Section 9 of the Act read with Rule 6 of the CVD Rules, the Authority hereby initiates a countervailing duty investigation to determine the existence, degree, and effect of any alleged subsidization in respect of the subject goods originating in or exported from the subject country and to recommend the amount of countervailing duty, which, if levied, would be adequate to remove the injury to the domestic industry.

PROCEDURE

24. Principles as stated under Rule 7 of the CVD Rules, shall be followed in the present investigation.

SUBMISSION OF INFORMATION

25. All the interested parties are required to register themselves on SETU Portal (<https://setu.dgtr.gov.in>). All communications and submissions from the interested parties shall be uploaded on the SETU portal under their registered name and corresponding Case ID-CVD/OI/008/2026. It should be ensured that the narrative part of the submission is in searchable PDF/MS-Word format and data files are in MS-Excel format.

26. The known producers/exporters in the subject country, the Government of the subject country through its Embassy in India, and the importers and users in India who are known to be associated with the subject goods are being informed separately to enable them to file all the relevant information within the time limits mentioned in this initiation notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority.
27. Any other interested party may also make a submission relevant to the present investigation in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority within the time limits mentioned in this initiation notification. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
28. Interested parties are further advised to keep a regular watch on the official website of the Directorate General of Trade Remedies (<https://www.dgtr.gov.in>) and SETU portal (<https://setu.dgtr.gov.in>) for any updated information with respect to this investigation, and to stay apprised of notices that may be issued from time to time regarding questionnaire formats, PCN methodology, PCN discussion or meeting schedule, notice of oral hearing, corrigendum, amendment notifications and other such information.

TIME LIMIT

29. Any information relating to the present investigation should be uploaded on the SETU portal (<https://setu.dgtr.gov.in>) under their registered name and corresponding case ID. Both versions of each submission, the confidential version (CV) and the non-confidential version (NCV) must be uploaded in the respective designated columns within 37 days from the date on which the non-confidential version of the application filed by the domestic industry would be circulated by the Authority or transmitted to the appropriate diplomatic representative of the exporting country as per Rule 7(4) of the CVD Rules, 1995. If no information is received within the stipulated time limit or the information received is incomplete, the Authority may record its findings based on the facts available on record and in accordance with the CVD Rules, 1995.
30. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit as stipulated in this notification through SETU portal only.

31. The 15-day period for filing comments on the scope of the PUC and PCN methodology shall run concurrently with the time limit mentioned above.
32. Where an interested party seeks additional time for filing of submissions, it must demonstrate sufficient cause for such extension in terms of Rule 7(4) of the CVD Rules and such request must come within the time stipulated in this notification.
33. An extension of time by 15 days shall be granted if the Authority, through a subsequent notice, modifies the PUC or adopts a PCN methodology that was not proposed in, or is different from, this initiation notification. Such extension shall run from the date of the notice of the modified PUC or PCN methodology, and shall not be available where there is no change in the PUC or PCN methodology after initiation. Requests for further extension beyond the said 15 days will ordinarily not be considered except in exceptional circumstances, in terms of Rule 7(4) of the CVD Rules.
34. Any request for extension of time must be submitted through the SETU portal at least one day before the expiry of the time limit stipulated in this notification. Requests submitted thereafter will not be considered.

SUBMISSION OF INFORMATION ON A NON-CONFIDENTIAL BASIS

35. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, it is required to simultaneously submit a non-confidential version of such information in terms of Rule 8(2) of the CVD Rules, 1995 and in accordance with the relevant trade notices issued by the Authority in this regard.
36. The parties making any submissions before the Authority, including questionnaire responses and the appendices and annexures thereto, are required to file the confidential and non-confidential versions separately. Where a submission is made in multiple parts, an index table outlining the contents of all parts and documents enclosed shall be provided in each part, and all pages shall be numbered.
37. Where the original documents are in a language other than English or Hindi, the interested parties shall furnish a true translated version along with the original documents.
38. Such submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission which has been made to the Authority without such markings shall

be treated as “non-confidential” information by the Authority, and the Authority shall be at liberty to allow other interested parties to inspect such submissions.

39. The confidential version shall contain all information which is by nature confidential and / or other information which the supplier of such information claims as confidential. For information which is claimed to be confidential by the nature or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
40. The non-confidential version of the information filed by the interested parties should essentially be a replica of the confidential version with the confidential information preferably indexed or blanked out (where indexation is not possible) and such information must be appropriately and adequately summarized depending upon the information on which confidentiality is claimed.
41. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons containing a sufficient and adequate explanation in terms of Rule 8 of the CVD Rules and appropriate trade notices issued by the Authority, as to why such summarisation is not possible, must be provided to the satisfaction of the Authority.
42. The interested parties can offer their comments on the issues of confidentiality claimed by the domestic industry within 7 days of the receipt of the non-confidential version of the application.
43. Any submission made without a meaningful non-confidential version thereof or without a sufficient and adequate cause statement in terms of Rule 8 of the CVD Rules and appropriate trade notices issued by the Authority, the confidentiality claim shall not be taken on record by the Authority.
44. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information

public or to authorise its disclosure in generalised or summary form, it may disregard such information.

45. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party, without specific authorization of the party providing such information.

INSPECTION OF PUBLIC FILE

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

NON-COOPERATION

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

**Digitally signed by
Amitabh Kumar
Date: 30-09-2026
13:11:35
Amitabh Kumar**

Designated Authority