**To be Published in Part-I Section-I of Gazette of India-Extraordinary**
**F. No. 6/09/2025-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**

**Dated: 19.03.2026**

**FINAL FINDINGS**
**Case No. AD(OI) – 09/2025**

**Subject: Anti-Dumping Investigation concerning imports of Beta Naphthol originating in or exported from China PR.**

Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as the "Act"), and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time, (hereinafter also referred to as the "Anti-Dumping Rules" or the "Rules");

1. Whereas, Bodal Chemicals 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 Act and the Rules for initiation of anti-dumping investigation concerning imports of Beta Naphthol (hereinafter also referred to as the "product under consideration" or the "subject goods") from China PR (hereinafter also referred to as the "subject country").

2. And whereas, in view of the duly substantiated application filed by the applicants, the Authority issued a public notice vide Notification No. 6/09/2025-DGTR dated 29th March, 2025 published in the Gazette of India, Extraordinary, initiating anti-dumping investigation into imports of the product under consideration from China PR in accordance with Rule 5 of the Anti-Dumping 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.

## A. PROCEDURE

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

### 3.1 Initiation

i. The Authority notified the Embassies of the subject country in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with sub-rule (5) of Rule 5.
ii. In accordance with Rule 6, the Authority issued a public notice dated 29$^{th}$ March 2025, published in the Gazette of India, Extraordinary, initiating anti-dumping investigation concerning import of subject goods from the subject country.
iii. In accordance with Rule 6(2), the Authority sent a copy of the initiation notification to the Governments of the subject country, through their Embassy in India, known producers and exporters from the subject country, known importers/users and the domestic industry as well as other domestic producers, as per the addresses made available by the applicant and requested them to make their views known in writing within the prescribed time limit.

**3.2 <u>Period of Investigation and Injury Period</u>**

i. The period of investigation (POI) for the purpose of present investigation is 1$^{st}$ October 2023 to 30$^{th}$ September 2024. The examination of trends in the context of injury analysis covered the periods 2021-22, 2022-23, 2023-24 and the period of investigation.

**3.3 <u>Import Data</u>**

i. Request was made to DG Systems to provide the transaction-wise details of imports of subject goods for the injury period and also the period of investigation. The Authority has relied upon the DG Systems data for computation of the volume of imports and required analysis after due examination of the transactions.

**3.4 <u>Circulation of non-confidential version of the application</u>**

i. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Governments of the subject country, through their Embassies in India, in accordance with Rule 6(3) of the Anti-Dumping Rules. A copy of the non-confidential version of the application was made available to other interested parties, wherever requested.

**3.5 <u>Participation by Exporters of Subject Country</u>**

i. The Authority sent exporter's questionnaire to the following known producers/exporters in accordance with Rule 6(4) of the Rules:
    i. Buipo International
    ii. Changshan Haicheng Chemical Co., Ltd.
    iii. China Jiangsu International Chemical Co., Ltd.
    iv. Dalian Chem Imp and Exp Group Co., Ltd.
    v. Hangzhou Dinghao Chemical Co., Ltd.

vi. Hubei Tynem Trade Co., Ltd.
vii. Jining Sunshine Chemical Co., Ltd.
viii. Nanjing Sincerity Chemical Co., Ltd.
ix. Nanjing Skyfly Chemical Co., Ltd. (Skyfly Industry Limited)
x. Neimenggu Mei Li Jian Chemical Technology Co., Ltd.
xi. Shanghai Amino-Chem Co., Ltd.
xii. Sinochem Plastics Co., Ltd.
xiii. Wintersun Colour Co., Ltd.
xiv. Xian Full Link Trading Co., Ltd.
xv. Zhejiang Chemicals Import and Export Corporation
xvi. Zhejiang Link Chemicals Co., Ltd.
xvii. Zhejiang Medicines & Health Products Import & Export Co., Ltd.

ii. In response to the initiation of the subject investigation, the following producers/exporters from the subject country have responded by filing questionnaire response:
i. Changshan Haicheng Chemical Co., Ltd.
ii. Inner Mongolia Wuhai Yadong Fine Chemical Co., Ltd.
iii. Jining Sunshine Chemical Co., Ltd.
iv. Shandong Century Sunshine Technology Co., Ltd.
v. Shanghai Amino-Chem Co., Ltd.
vi. Shanghai Sunrise International Ltd.
vii. Sinochem Plastics Co., Ltd.
viii. Tianjin Yadong Chemical Co., Ltd.
ix. Tianjin Yadong Longxin International Ltd.
x. Xi'an Full-Link Trading Co., Ltd.

**3.6 <u>Participation by Importers/Users</u>**

i. The Authority sent Importer’s and User’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. Ajanta Chemical Industries
ii. Anar Chemicals LLP
iii. Anil Organics
iv. Anjani Dyes and Intermediates Pvt. Ltd.
v. Annapurna Enterprise
vi. Aries Organics Private Limited
vii. Asiatic Colour-chem Industries Private Limited
viii. Becta Laboratories
ix. Bhageria Industries Limited
x. Bhagwati Intermediates
xi. Colourtex Industries
xii. Deep Chemicals

xiii. Devarsons Industries Private Limited
xiv. Divi's Laboratories Limited
xv. Dr. Reddy's Laboratories Ltd.
xvi. Drashti Impex
xvii. Dynamic Industries Limited
xviii. Dynamic Products Limited
xix. Gaurav Industries Private Limited
xx. Gayatri Colour Chem Industries
xxi. Gopinath Chem-tech Limited
xxii. Hindprakash Chemicals Private Limited
xxiii. Jagson Colorchem Limited
xxiv. Kiri Industries Limited
xxv. Kushan Impex
xxvi. Loxim Industries Limited
xxvii. Lion Colorchem
xxviii. Lonsen Kiri Chemical Industries Limited
xxix. Mangalam Intermediates
xxx. Macson Products
xxxi. Mahavir Synthesis Private Limited
xxxii. Micas Organics Limited
xxxiii. Nuchem Dye Stuffs Private Limited
xxxiv. N.S. Exports
xxxv. NCR Colors LLP
xxxvi. Prolife Bio-Chemical Industries Private Limited
xxxvii. Parshwanath Colour Chem
xxxviii. Pheromone Chemicals Private Limited
xxxix. Pravin Dyechem Private Limited
xl. Ronit Enterprise
xli. Retort Chemicals Private Limited
xlii. Roha Dye Chem Private Limited
xliii. Rohdis Aromatics
xliv. Sweta Chemicals
xlv. Shree Pushkar Chemicals and Fertilisers Ltd.
xlvi. Sudarshan Chemical Industries Limited
xlvii. Sodium Metal Pvt. Ltd.
xlviii. TS Speciality Chemicals
xlix. Trinity Pigment Industries
l. US Colours and Intermediates Private Limited
li. Vidhi Speciality Food Ingredients Limited
lii. World Chem Corporation

ii. In response to the initiation of the subject investigation, Kalpsutra Chemicals Pvt. Ltd. and Dr. Reddy's Laboratories Limited have responded by submitting the user's questionnaire.

### 3.7 Registered Interested Parties

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

### 3.8 Economic Interest Questionnaire

i. The Authority issued an Economic Interest Questionnaire to the Embassies of the subject country, all the known exporters/producers, importers/users, domestic industry as well as the other known producers in India. The following parties responded to the Economic Interest Questionnaire.
   i. Domestic Industry
   ii. Changshan Haicheng Chemical Co., Ltd.
   iii. Inner Mongolia Wuhai Yadong Fine Chemical Co., Ltd.
   iv. Jining Sunshine Chemical Co., Ltd.
   v. Shandong Century Sunshine Technology Co., Ltd.
   vi. Shanghai Amino-Chem Co., Ltd.
   vii. Shanghai Sunrise International Ltd.
   viii. Sinochem Plastics Co. Ltd.
   ix. Tianjin Yadong Chemical Co., Ltd.
   x. Tianjin Yadong Longxin International Ltd.
   xi. Xi'an Full-Link Trading Co., Ltd.
   xii. Dr. Reddy’s Laboratories Limited

### 3.9 Oral Hearing

i. In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to the interested parties to present their views orally in a public hearing held on 9th January 2026. The parties, which presented their views in the oral hearing, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions.

### 3.10 Further Procedures

i. The Embassy of the subject country in India were requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time limit.

ii. The Authority invited views from the interested parties regarding the PCN methodology proposed by the domestic industry. All the interested parties were requested to make their views known in writing within the time limit prescribed. Since no comments were received on the scope of PUC and PCN methodology by any of the interested parties, the scope of the product under consideration was notified vide notification dated 28th April 2025, as the same as defined in the initiation notification.

iii. The Authority made available non-confidential version of the evidence presented by various interested parties. A list of all interested parties was uploaded on the DGTR website, along with the request to all of them to email the non-confidential version of their submissions to all the other interested parties.

iv. Submissions were filed in the subject investigation on behalf of the following interested parties including producers, exporters, users and importers as well as association of users.

    i. Domestic Industry
    ii. Jining Sunshine Chemical Co., Ltd.
    iii. Shandong Century Sunshine Technology Co., Ltd.
    iv. Inner Mongolia Wuhai Yadong Fine Chemical Co., Ltd.
    v. Changshan Haicheng Chemical Co., Ltd.
    vi. Shanghai Amino Chem Co., Ltd.
    vii. Shanghai Sunrise International Ltd.
    viii. Sinochem Plastics Co. Ltd.
    ix. Tianjin Yadong Chemical Co., Ltd.
    x. Tianjin Yadong Longxin International Limited
    xi. Xi'an Full-Link Trading Co., Ltd.
    xii. Dr. Reddy’s Laboratories Limited
    xiii. Kalpsutra Chemicals Private Limited

v. The non-injurious price (NIP) based on the optimum cost of production and cost to make & sell the subject goods in India, having regard to the information furnished by the domestic industry and having regard to Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules, has been worked out so as to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.

vi. The submissions made by the interested parties during the course of this investigation, to the extent supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority, in this final findings.

vii. Information provided by the interested parties on confidential basis was 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 as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.

viii. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the views/observations on the basis of the facts available.

ix. A disclosure statement dated 12th March 2025 was issued by the Authority, in accordance with Rule 16 of the Anti-Dumping Rules disclosing the essential facts under consideration in the matter relating to the present anti-dumping investigation. The comments to disclosure statement received from the interested parties have been considered, to the extent found relevant and non-repetitive, in this final findings.

x. The Authority, during the course of the investigation, satisfied itself as to the accuracy of the information supplied by the interested parties, which forms the basis of the present final findings to the extent possible and verified the data/documents submitted by all the interested parties to the extent considered relevant, practicable and necessary.

xi. '***' in this final findings represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

xii. The exchange rate adopted by the Authority for the subject investigation is 1 US$ = ₹ 84.27.

## B. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

### B.1 Views of the other interested parties

4. The other interested parties have alleged that there are quality concerns with regard to the product offered by the applicant. No other submissions have been made by other interested parties with regard to scope of product under consideration and like article.

### B.2 Views of the domestic industry

5. The domestic industry has submitted as follows with regard to scope of product under consideration and like article.
   a. Both forms of Beta Naphthol, solid crystal (flake) and dry powder form are covered in the product scope.
   b. The product produced by the applicant is identical or alike to the imported product in all material aspects, and thus constitutes like article to the imported goods.
   c. With regard to quality of the product, the communication with the concerned user have been shared to show that the user has not placed any order with the domestic industry, due to availability of imports at dumped prices.
   d. The domestic industry has exported the product to USA, Germany and Japan regularly, which shows that the quality of product supplied by the domestic industry meets international standards.
   e. The domestic industry has also received letter of recognition from its customer in USA, which shows its commitment to quality.

### B.3 Examination by Authority

6. At the time of initiation of the present investigation, the Authority considered the following as the scope of product under consideration.

> *"3. The product under consideration is Beta Naphthol or 2-Naphthol or β-Naphthol and its chemical formula is $C_{10}H_8O$. It is naphthalene homologue of phenol available in the form of solid crystal flakes and dry powder form. It is whitish coloured flakes or powder which looks lustrous and bulky in appearance and has a sweet and tarry odour. Beta Naphthol is manufactured using major raw materials such as naphthalene, sulfuric acid, and sodium hydroxide."*

7. No request for product exclusion or modifications have been made by any interested parties. Further, the interested parties have not proposed any PCN methodology in the present investigation. Accordingly, the Authority confirmed the scope of product under consideration vide notification dated 28th April 2025. The Authority, therefore, retains the same scope of product under consideration, as notified in the initiation notification and the aforesaid notification dated 28th April 2025, in its final determination.

8. The subject goods are classified under the category of organic chemicals under Chapter 29 of Schedule I to the Customs Tariff Act and is classifiable under tariff code 2907 15 20. However, the goods are also being imported under 2907 1510. The Customs classification is only indicative and is not binding on the scope of the product under consideration.

9. The interested parties have contended that the quality of the goods supplied by the applicant is inferior. However, no evidence in the form of specification sheet or test report, or any other document to support such a contention has been provided by the interested parties. The domestic industry has provided evidence in the form of certificate of recognition from its customer, which testifies to the quality of goods produced by it. The domestic industry has also emphasized that it has exported the goods to several countries, at higher prices, which shows that its goods are of international standards.

10. Having regard to the above, it is noted that there are no significant differences in the product produced by the domestic industry and the goods imported from the subject country. The product produced by the domestic industry and imported from the subject country are comparable in terms of physical & chemical properties, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The product produced by the domestic industry and that imported from the subject country are being used interchangeably by the consumers. In view of the same, the product manufactured by the domestic industry is considered as like article to the product being imported from the subject country.

## C. <u>SCOPE OF THE DOMESTIC INDUSTRY & STANDING</u>

## C.1. Views of the other interested parties

11. The following submissions have been made by the other interested parties with regard to the scope of domestic industry and standing:
    a. The applicant is a regular importer of the subject goods and should not be considered eligible to constitute domestic industry.
    b. While the Authority has discretion to consider an importer eligible to constitute domestic industry, it should only be done after examining the price of imports made by the applicant compared to the domestic prices and the impact of such prices on the overall import price in India.
    c. The share of imports should be compared to production, and not consumption, as done by the applicant.
    d. The applicant has also not disclosed the price of the imports made by it, therefore, if the applicant has imported at dumped prices, it would indicate that the domestic industry has itself contributed to dumping.
    e. The domestic industry has not disclosed its imports for the periods prior to and post period of investigation, thereby preventing examination as to whether it is a regular importer or not.
    f. The imports by the applicant were not necessitated, as the domestic industry was operating with underutilized capacity and could have utilized this capacity for captive consumption. There are no special grades of the product, which were required to be imported.
    g. The imports by the applicant form part of the subject imports, contributing to the injury parameters.
    h. The applicant acts as a price setter by importing at low prices, as it accounts for a majority share of the market.
    i. The other two producers of the subject goods have not supported and have not participated in the subject investigation.

## C.2. Views of the domestic industry

12. The following submissions have been made by the domestic industry with regard to the scope of domestic industry and standing:
    a. There are two other producers of like article other than the applicant, namely, Eastern Naphtha Chemicals Private Limited and Multi Organics Private Limited.
    b. The domestic industry accounts for ***% of the total production.
    c. The applicant has imported negligible quantity of ***MT of subject goods during the period of investigation under advanced authorization for captive consumption. Such volume of imports is minuscule in relation to total imports, total demand and total production in India.
    d. The primary focus of the applicant is on production and not importation.
    e. Given that the fact about the import was disclosed at the stage of filing of application and the applicant has been found eligible to constitute a domestic

industry, it implies that the Authority had already examined the imports made by the applicant prior to initiation.

f. The dumped imports are priced lower than the cost of sales of the domestic industry, enabling the downstream users to manufacture and sell the downstream products to other jurisdictions at low prices. Since the domestic industry also manufactures the downstream products, domestic industry was forced to import the subject goods to keep the downstream product competitive in other jurisdictions.

g. The import price of the domestic industry is much higher than the import price of the subject good in India.

h. The imports by the domestic industry show the adverse impact of dumping in India as no producer would be willing to purchase the subject goods from other producers and abandon its own product, especially in case where the producer is holding unutilized capacities.

i. As per past practice of Authority, even if the applicant has imported the product under consideration in an insignificant volume, it will be considered as eligible to constitute domestic industry. Further, in the final findings issued in the anti-dumping investigation concerning imports of "Metronidazole" from China, the Authority found the domestic producer eligible to constitute domestic industry, notwithstanding imports under advance authorisation, considering that the applicant was a producer rather than a trader.

j. There is no requirement to provide imports for the period prior to or post the period of investigation.

## C.3. <u>Examination by Authority</u>

13. Rule 2(b) of the Anti-Dumping 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".*

14. The Authority notes that the application for initiation of the present investigation was filed by Bodal Chemicals Limited. The applicant has submitted, that, there are other domestic producers of the subject goods in India, namely, Eastern Naphtha Chemicals Private Limited and Multi Organics Private Limited.

15. The applicant has stated that it has imported the subject goods during the period of investigation. The Authority has examined the quantum of imports. It is noted that the quantity of imports is negligible, in relation to the production of the applicant, the subject imports and demand in the country. The imports by the applicant have been made under

advance authorization scheme, for the purpose of production of downstream products for export markets.

| Particulars | POI (MT) |
|---|---|
| Imports made by Bodal | *** |
| Total imports into India | 13,780 |
| Imports in relation to total imports | ***% |
| Range | 0-5% |
| Consumption in India | 17,690 |
| Imports in relation to consumption in India | ***% |
| Range | 0-5% |
| Production of domestic industry | *** |
| Imports in relation to production | ***% |
| Range | 0-10% |

16. Based on the information above, the Authority finds that the focus of the producer remains on production of the product and has not shifted to importation.

17. It has been alleged that the domestic industry acts as a price setter, through imports, as it accounts for a majority position in the market. The Authority notes that the imports by the applicant are negligible during the period of investigation. Further, even the imports during the previous years were insignificant. These imported product were not sold in the market. Even after considering these imports, the domestic industry cannot be considered to be accounting for the majority share in the market. Thus, it is noted that such a small volume of imports does not allow the domestic industry to set prices in the market.

| Particulars | Unit | 2021-22 | 2022-23 | 2023-24 | POI |
|---|---|---|---|---|---|
| Imports by applicant | MT | *** | *** | - | *** |
| Trend | Indexed | 100 | 53 | - | 55 |
| Subject imports | MT | 20,529 | 16,824 | 16,579 | 13,780 |
| Share in imports | % | *** | *** | *** | *** |
| Share in imports | Range | 0-5% | 0-5% | 0% | 0-5% |
| Sales of applicant | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 43 | 102 | 138 |

18. In view of the foregoing, the applicant is considered eligible to constitute domestic industry under Rule 2(b) of the Anti-Dumping Rules, as per the consistent practice of the Authority.

19. The Authority also notes that the applicant has provided information regarding imports by it throughout the injury period. A non-confidential summary of such information was

also provided to other interested parties, in the form of import volumes expressed as a % range of total imports.

20. The applicant has provided information regarding production of the two producers. The same has been considered for the purpose of the present determination. It is noted that the applicant constitutes a major proportion of ***% of the total domestic production. Therefore, the applicant constitutes domestic industry under Rule 2(b) of the Anti-Dumping Rules, and the application satisfies the requirements of standing under Rule 5(3) under the Rules.

## D. <u>CONFIDENTIALITY</u>

### D.1. <u>Views of other interested parties</u>

21. The following submissions have been made by the other interested parties with regard to confidentiality:
   a. The applicant has claimed confidentiality in violation of Trade Notice No. 10/2018 by not disclosing non-injurious price in +/- 10% range and the net sales realisation.
   b. In line with the CESTAT judgment in the case of Exotic Décor Pvt. Ltd. vs Designated Authority (Anti-Dumping Appeal No. 52233 of 2018) dated 12th June 2020, Authority is requested to provide the import data in the same format and manner as it was taken on record for the purpose of investigation.
   c. The domestic industry has not disclosed the price at which the subject goods were imported by it.

### D.2. <u>Views of domestic industry</u>

22. The following submissions have been made by the domestic industry with regard to confidentiality:
   a. Furthermore, the confidentiality objections raised by interested parties are belated, submitted long after the required 7-day period, and should not be accepted.
   b. The domestic industry has provided net sales realization in indexed form and non-injurious price ranges in the non-confidential version of the application circulated to all interested parties, in line with the requirements of the Trade Notice. Since disclosure of net sales realization is highly confidential, disclosure of it would be prejudicial to the competitive interests of the applicant.
   c. Disclosure of the non-injurious price in a very narrow range could severely harm the industry's competitive position, so it has been presented in a broader range, which does not prejudice any interested party.
   d. The applicant has provided an import summary based on third-party market intelligence data, which it is not authorized to disclose. In any case, the Authority has not relied on the import data submitted by domestic industry at the stage of initiation itself, and sought DG System data.

e. There is no requirement to disclose the price of imports by domestic industry, to the other interested parties.

## D.3. <u>Examination by Authority</u>

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

> *"(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 parties providing information on confidential basis to furnish non-confidential 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"*

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

25. The submissions made by the domestic industry and the participating exporters concerning confidentiality, to the extent considered relevant, were examined by the Authority and addressed accordingly. It is seen that the applicant and interested parties have claimed confidentiality on information, such as production, capacity, capacity utilization, sales volumes, market share, stocks, selling price, costs, profits, cash profits, return on investment, non-injurious price, cost of production related information, normal value, export price, dumping margin, injury margin, price adjustments, profit related information, sales channels, sales & purchase documents, customers and suppliers

names, etc. It is also seen that wherever information is for an injury period, the same has been provided on an indexed basis.

26. With regard to the submission that the domestic industry has not disclosed the net sales realization, it is noted that the trends have been provided. The Authority finds that the information with regard to import price of individual parties is confidential in nature. With regard to the non-injurious price, the domestic industry explained that the disclosure in an inordinately narrow range would be prejudicial to the competitive interests of the domestic industry. The Authority has accepted the confidentiality claimed after having been satisfied with the justification provided by the domestic industry.

27. With regard to import data, the Authority notes that the domestic industry has identified the source as market intelligence and provided the import statement based on the same. However, the Authority has not relied upon the information provided by the interested parties, at the stage of initiation, or in its determination. The Authority has relied upon DG Systems data for its determinations in the present investigation.

## E. MISCELLANEOUS SUBMISSIONS

### E.1. Views of other interested parties

28. The following miscellaneous submissions have been made by the other interested parties:
    a. The confidential and non-confidential version of the questionnaire response of Dr. Reddy's Laboratories Limited was filed timely on 3rd June 2025.

### E.2. Views of domestic industry

29. No submissions have been made by the domestic industry in this regard.

### E.3. Examination by Authority

30. It has been examined and found that the response of Dr. Reddy's Laboratories Limited was filed within the prescribed deadline.

## F. NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

### F.1. Views of other interested parties

31. The other interested parties have submitted as follows with reference to determination of normal value, export price and dumping margin.
    a. The other interested parties have requested that the dumping and injury margin should be based on the information filed by the cooperating producers/exporters.
    b. The claimed dumping margin and injury margin of the domestic industry is meaningless.

c. The normal value should be determined as per consistent practice of Authority, based on optimization of cost of production of the domestic industry.

**F.2. <u>Views of domestic industry</u>**

32. The domestic industry has submitted as follows with reference to determination of normal value, export price and dumping margin.

a. China PR should be treated as a non-market economy in accordance with Article 15(a)(i) of China's Accession Protocol and the normal value should be determined in terms of Annexure I, Rule 7 of the AD Rules.

b. Since the provisions of Article 15(a)(i) of China's Accession Protocol continue to remain in force, the producers in China PR are required to show that market economy conditions prevail.

c. Normal value for all exporters should be determined according to para 7 of Annexure – I of the Rules and on the basis of the actual cost of production of the domestic industry with reasonable addition of profits. It cannot be assumed that the foreign producers are operating under optimum conditions, and therefore, must have achieved the lowest utilization of raw materials and utilities, or highest utilization of capacities.

d. The dumping margin and injury margin are positive and significant.

e. Individual margins may be determined based on responses filed by the cooperative producers, if such responses are found to contain adequate and accurate information.

**F.3. <u>Examination by the Authority</u>**

**F.3.1.<u>Determination of Normal Value</u>**

33. Article 15 of the China's Accession Protocol to the 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.*

*15. (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), l4(c) and l4(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.*

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

*(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provisions 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 non-market economy provisions of subparagraph (a) shall no longer apply to that industry or sector."*

34. The domestic industry has cited and relied upon Article 15(a)(i) of China's Accession Protocol. The domestic industry has claimed that producers in China PR must be asked to demonstrate that market economy conditions prevail in their industry. It has been stated by the domestic industry that in case the responding Chinese producers are not able to demonstrate that their costs and price information are market-driven, the normal value should be calculated in terms of provisions of Para 7 and 8 of Annexure- I to the Rules.

35. None of the cooperative producers have claimed market economy treatment in the present case. Accordingly, the normal value has been determined in accordance with paragraph 7 of Annexure I of the Rules which state as follows.

> *"In case of imports from non-market economy country, normal value shall be determined on the basis of the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or 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 selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments."*

36. In the present case, there is no evidence of price or constructed value prevailing in a market economy third country brought forward by any interested party. Further, the product does not have a dedicated tariff code at six-digit level, to permit consideration of price of exports from a market economy third country to other countries. The product has been imported only from the subject country into India. The Authority has therefore, determined normal value as per the price payable in India, based on adjusted cost of production of the applicant, duly adjusted for selling, general and administrative expenses and reasonable profits.

**F.3.2.<u>Determination of Export Price</u>**

**Export price for Inner Mongolia Wuhai Yadong Fine Chemical Co., Ltd.**

37. During the period of investigation, Inner Mongolia Wuhai Yadong Fine Chemical Co., Ltd. (Inner Mongolia) has exported *** MT of the product under consideration to India, of which ***MT has been exported through unrelated exporter. The balance *** MT has been exported through its related exporters, Shanghai Sunrise International Limited, Tianjin Yadong Chemical Co., Ltd. (Tianjin Yadong Chemical) and Tianjin Yadong Longxin International Limited.

Inner Mangolia → Shanghai Sunrise International Ltd. → Shanghai Amino Chem Co., Ltd. → Unrelated Customers in India
Inner Mongolia → Tianjin Yadong Chemical Co., Ltd. → Sinochem Plastics Co., Ltd → Unrelated customers in India

Inner Mongolia → Tianjin Yadong Longxin International Ltd. → Sinochem Plastics Co., Ltd. → Unrelated customers in India
Inner Mongolia → Tianjin Yadong Longxin International Ltd. → Shanghai Amino Chem Co., Ltd. → unrelated customers in India
Inner Mongolia→ Tianjin Yadong Longxin International Ltd. → Xi'An Full-Link Trading Co., Ltd. →Unrelated customers in India
Inner Mongolia → Tianjin Yadong Longxin International Limited → Changshan Haicheng Chemical Co., Ltd. → Unrelated customers in India

38. The export price has been determined based on the price of sale charged from unrelated customers in India. Adjustments have been made for ocean freight, insurance, inland transportation, port and other related expenses, credit cost and bank charges after desk verification. The net export price so determined has been mentioned in the table below.

**Export price for Jining Sunshine Chemical Co., Ltd. and Shandong Century Sunshine Technology Co., Ltd.**

39. Jining Sunshine Chemical Co., Ltd. (Jining Sunshine) and Shandong Century Sunshine Technology Co., Ltd. (Shandong Century) are related producers of the product under consideration. During the period of investigation, Jinjing Sunshine and Shandong Century have exported ***MT and ***MT of the product under consideration to India respectively. Both the producers have exported the product directly.

Jinjing Sunshine → Unrelated customers in India
Shandong Century → Unrelated customers in India

40. The export price has been determined based on the price of sale charged from unrelated customers in India. Adjustments have been made for ocean freight, insurance, inland transportation, port and other related expenses, credit cost, and bank charges after desk verification. The net export price so determined has been mentioned in the table below.

**F.3.3.<u>Dumping Margin</u>**

41. The related producers and exporters were regarded as one single entity and attributed one single dumping margin which was calculated on the basis of the weighted average of the dumping margins of the cooperating related producers and exporters. Injury margin has also been determined in a similar way.

42. Considering the normal value constructed as provided above, and export price as determined, the dumping margin determined for the subject country is as follows:

**Dumping Margin Table**

| SN | Name of Producer | Normal Value | Export Price | Dumping Margin | Dumping Margin | Dumping Margin |
|---|---|---|---|---|---|---|
| | | (USD/MT) | (USD/MT) | (USD/MT) | (%) | (Range) |
| 1. | Inner Mongolia Wuhai Yadong Fine Chemical Co., Ltd. | *** | *** | *** | *** | 30-40 |
| 2. | Sunshine Group | *** | *** | *** | *** | 25-35 |
| a | Jining Sunshine Chemical Co. Ltd. | *** | *** | *** | *** | *** |
| b | Shandong Century Sunshine Technology Co., Ltd. | *** | *** | *** | *** | *** |
| 3. | Any other producer | *** | *** | *** | *** | 40-50 |

## G. ASSESSMENT OF INJURY AND CAUSAL LINK

### G.1. Views of other interested parties

43. The following submissions have been made by the other interested parties with regard to the injury and causal link:
    i. The domestic industry has not faced volume or price injury.
    ii. The other two producers of the subject goods have neither supported nor participated in the subject investigation despite decline in their market share. This shows that the injury is not industry wide.
    iii. The subject imports have significantly declined in absolute terms. Further, the subject imports have also declined in relative terms in the period of investigation when compared with 2022-23. There is no increase in imports, as required under the provisions of para (ii) of Annexure – II of the Rules.
    iv. While the subject imports have moved in congruence with demand; the production and sales of the domestic industry have increased despite the decline in demand.
    v. The submission that imports are in excess of demand-supply gap is flawed as it has been assumed that the plant will operate at 100% capacity utilization which is not realistic. The demand-supply gap must be evaluated in light of the historical trends of capacity utilization of the applicant.
    vi. The imports made by the applicant should be excluded from scope of product, as applicant cannot take advantage of its own wrong.
    vii. There is no price suppression and depression as the import prices of Kalpsutra are higher than the domestic procurement prices.
    viii. The decline in domestic prices cannot be attributed to subject imports as even the export price of the domestic industry has declined. Thus, the decline in price is due to internal operational or management factors.
    ix. The decline in prices of the domestic industry is a strategic decision of the domestic industry to expand market share and pursue volume driven growth.

x. The landed price is higher than the selling price of the domestic industry resulting in negative price undercutting. Thus, it is evident that the subject imports are not exerting any pressure on domestic prices.

xi. The submission that price undercutting is negative as the domestic industry has been compelled to keep prices low to retain market share is speculative.

xii. The production, sales and capacity utilization of the domestic industry have increased over the injury period, while imports have declined.

xiii. The temporary decline in capacity utilization in 2022-23 and 2023-24 cannot be attributed to imports as the import volumes were the same in the periods when the domestic industry achieved higher capacity utilization.

xiv. Any alleged price undercutting has not prevented the domestic industry from achieving a growth in sales.

xv. Despite decline in demand the market share of subject imports remained stable while that of the domestic industry increased. The market share of other producers declined which shows that the domestic industry has captured market share from such producers and has a competitive position in the market.

xvi. In light of non-participation of other producers, the significant decline in their market share cannot be verified and relied upon. Had the share actually declined, the producers would have participated.

xvii. Considering that the market share of domestic industry has increased by 74%, it cannot be considered that the imports dominate the market.

xviii. The marginal increase in inventory over the injury period is owing to the increase in production. The inventory of the domestic industry has declined in the period of investigation as compared to 2023-24 due to increase in sales.

xix. There has been an increase in number of employees along with the productivity per day. The expansion of workforce contradicts the claim of injury. Further, the salary and wages have declined which shows wage optimisation and not injury to the domestic industry.

xx. The losses of the applicant declined over the injury period.

xxi. While landed price remained same and imports declined between 2021-22 and 2022-23, the domestic industry started incurring losses from a situation of profits.

xxii. The domestic industry has deliberately reduced prices, in order to drive volumes.

xxiii. The applicant has stated that the imports are for captive consumption and in order to keep its downstream product competitive in global market. This shows that the injury to the domestic industry is not due to imports but by its own inflated cost and inefficiency.

xxiv. Injury is self-inflicted as the applicant has majority market share and is a price setter. By importing subject goods at low prices, the applicant has created self-inflicted injury.

xxv. The interest costs have increased substantially owing to global monetary tightening and interest rate increases. The increase in interest cost is not attributable to an increase in capacity.

xxvi. The rise in depreciation shows the domestic industry has made new investments, which goes against its claim that injury has prevented business expansion.

xxvii. The profitability of the domestic industry is affected due to Covid, Russia-Ukraine War and tensions related to Israel as stated by its CFO in Earnings Call Transcript for FY 2025 (Q3), and not due to subject imports.

xxviii. The CFO has stated that the demand has suddenly dropped worldwide across products. This shows that profitability has declined globally and not just in the Indian market because of subject imports.

xxix. The low capacity utilization is attributable to operational inefficiencies or business strategies.

## G.2. <u>Views of the domestic industry</u>

44. The following submissions have been made by the domestic industry with regard to the injury and causal link:

i. Once the applicant constitutes domestic industry, the injury must be examined for the defined domestic industry. The financial performance of other domestic producers is irrelevant for the purpose. The same is also consistent with WTO Panel decision in the case of EC – Bed Linen and Appellate Body decision in the case of US – Hot-Rolled Steel.

ii. During the period of investigation, the imports declined in relative terms, compared to the previous periods, owing to decline in demand. However, imports continued to be higher than in the previous periods.

iii. The imports have increased in relation to production and consumption.

iv. The volume of subject imports is significant in relation to the Indian production and consumption.

v. The subject imports are more than double the demand-supply gap.

vi. The demand-supply gap shall be seen in light of capacities, and not production of the domestic industry, as claimed by the interested parties.

vii. Contrary to claim of interested parties, the imports by applicant cannot be excluded from injury analysis, since the injury must be examined with reference to subject imports.

viii. Decline in the landed price of imports over the injury period, has led to an increased demand for low priced imports.

ix. The landed price of imports has remained below the cost of sales of the domestic industry over the injury period and forced the domestic industry to sell below its costs.

x. The imports have depressed the prices of the domestic industry, and have prevented price increases, which otherwise would have occurred.

xi. Contrary to claims of interested parties, the examination of price suppression and depression shall not be based on transactions of individual parties, but subject imports as a whole. Further, price suppression and depression is not based on price of procurement but on the movement of price of cost of sales, selling price and landed price of the subject imports in India.

xii. The domestic industry is facing competition by the Chinese imports not only in the domestic market, but also in the international market, leading to a decline in export prices.
xiii. Export sales are more profitable than domestic sales showing that market conditions are severely affected due to the presence of dumped imports from China.
xiv. The domestic industry is being forced to match the import prices.
xv. It is not speculative that the domestic industry has been forced to reduce prices, since the imports command the majority share of the market. Had there been no compulsion to reduce prices, the domestic industry would have charged remunerative prices.
xvi. The decline in prices cannot be considered a strategic decision of the domestic industry, inasmuch as the domestic industry holds a minority share.
xvii. The capacity utilization of the domestic industry was quite high in the past. If such higher capacity utilization is considered, it would be seen that the imports are higher even considering the demand-supply gap, calculated having regard to achievable production based on such actual capacity utilization.
xviii. While the Indian industry has the capacity to cater to a larger share of the demand, the subject imports hold a dominant share of the market in India.
xix. The domestic industry increased its market share slightly by selling at losses, yet the overall market share of the Indian industry decreased over the injury period.
xx. The domestic industry has provided the information available to it, with regard to production and market share of other producers.
xxi. The subject imports did not decline commensurate with the decline in demand.
xxii. Even though the demand in the country is more than the capacities of the Indian industry, the domestic industry has operated at underutilized capacities.
xxiii. Even at present, the users are not importing from a single source. There are more than 50 exporters of the product, with most importers importing from more than one exporter.
xxiv. Considering the low market share held by the domestic industry, in contrast to achievable market share, the reliance on imports cannot be attributed to demand-supply gap.
xxv. The argument of interested parties that the market share of imports has declined is factually incorrect. The imports have continued to dominate the Indian market.
xxvi. While inventories have declined compared to previous year, they have increased compared to the base year. Thus, when selling at profits, the domestic industry was carrying lower inventories, than that during the period of investigation.
xxvii. The domestic industry has been forced to sell below variable cost to dispose off its inventory.
xxviii. The domestic industry has not claimed injury in respect of number of employees and salary and wages.
xxix. The decline in salary shows the burnt borne by the employees of the domestic industry. However, the same is also governed by a number of factors including overall operations of the company and the economy of the country.

xxx. The profitability of the domestic industry, post 2021-22, declined steeply by 1543% over the injury period, with huge losses over the injury period. The cash profits have also declined.

xxxi. The domestic industry was profitable in the base year, which shows that any subsequent decline is due to the decline in import price.

xxxii. The domestic industry incurred losses in the second year due to import price not increasing, in response to an increase in costs. Such an increase in costs should have been reflected in higher import prices as well.

xxxiii. The domestic industry earned low returns in 2021-22. It faced negative returns post 2022-23, including in the period of investigation.

xxxiv. Since the import price is below the variable cost of the domestic industry, it has been forced to sell below its variable cost, thereby losing money per unit of sales made.

xxxv. Imposition of duty would restore fair profits, which would allow the domestic industry to earn a profit.

xxxvi. The negative PBIT of the domestic industry, since 2022-23 shows that the domestic industry is unable to raise capital investment and is not earning enough to service its debt obligations.

xxxvii. For the Authority to conclude existence of material injury, it is not necessary that all parameters must show deterioration, as held in Pakistan – BOPP. In the present case, the domestic industry has gained sales, at the cost of decline in profitability.

xxxviii. There is no evidence that the domestic industry has faced any inefficiency, due to which the applicant has suffered injury.

xxxix. Considering that the majority market share in India is held by the imports, the domestic industry cannot be considered the price setter, as claimed by the domestic industry. In case the domestic industry was setting prices, it would not have sold the goods at losses and below variable cost.

xl. Even the earnings before interest, depreciation, taxes and amortisation (EBIDTA) of the domestic industry has reduced over the injury period, and is negative during the period of investigation. Thus, the injury is not attributable to depreciation or interest costs.

xli. The increase in depreciation is attributable to the fact that the domestic industry invested in certain fixed assets used in plant, not entailing capacity addition. This led to a slight increase in depreciation. Further, due to higher allocation of costs to export sales in certain years, the depreciation costs may fluctuate.

xlii. Interest and depreciation costs are negligible in relation to total costs, while the domestic industry has suffered significant losses.

xliii. Reliance on the investors call is not appropriate as they relate to performance of the company as a whole for all products, and not just the subject goods.

xliv. The domestic industry is engaged in a number of Dye Intermediates, of which the subject goods account for less than 10%. Further, during the relevant period, the subject goods were classified as basic chemicals, and not as dye intermediates. The statements made in Earnings Call with reference to Dye Intermediates should not be relied upon.

xlv. Decline in demand equally impacts domestic producers and foreign producers. However, the same cannot be a justification for dumping.

## G.3. Examination by Authority

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

46. The Authority has examined the arguments and counterarguments of the interested parties with regard to injury to the domestic industry. The analysis made by the Authority hereunder addresses the various submissions made by all the interested parties.

47. The interested parties have emphasized that improvement in certain parameters of the domestic industry cannot be ignored. The domestic industry has countered that mere improvement in certain parameters does not imply absence of injury particularly when there is significant deterioration in other parameters. The Authority notes that it is required to conduct a holistic assessment of all parameters, and arrive at its conclusions. Based on a holistic assessment, if Authority finds that imports have caused injury to the domestic industry, the improvement in certain parameters shall not negate such a conclusion. If, on the other hand, an examination of all parameters shows absence of injury, the deterioration in certain parameters cannot be considered injury.

48. The other interested parties have submitted that the absence of participation by other domestic producers may indicate that the injury may not be industry-wide. The Authority notes that the applicant constitutes "a major proportion" of the domestic production and thus, constitutes domestic industry under the law. Further, the Authority or the domestic industry cannot compel a party to participate in the investigation. The Authority is required to undertake injury analysis for the defined domestic industry. This is also in consonance with the observations of the WTO Panel in EC – Bed Linen.

49. The interested parties have contended that imports by applicant must be excluded from the injury examination. However, the Authority notes that under the provisions of Rule

11 of the Anti-Dumping Rules, read with Annexure-II thereto, the Authority is required to undertake injury examination with regard to the dumped imports. Such imports shall include the imports made by applicant as well.

### G.3.1. <u>Volume Effect of dumped imports</u>

**i. Assessment of Demand (Apparent Consumption)**

50. The Authority, for the purpose of the present investigation, has defined demand or apparent consumption of the product in India as the sum of domestic sales of the Indian producers and imports from all sources. The demand so assessed is given in the table below.

| Particulars | Unit | 2021-22 | 2022-23 | 2023-24 | POI |
|---|---|---|---|---|---|
| Subject imports | MT | 20,529 | 16,824 | 16,579 | 13,780 |
| Sales of domestic industry | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 43 | 102 | 138 |
| Sales of other domestic producers | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 47 | 46 | 30 |
| Captive consumption | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 0 | 20 | 94 |
| Demand excluding Captive consumption | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 74 | 77 | 67 |
| Demand including Captive consumption | MT | 26,459 | 19,447 | 20,301 | 17,690 |

51. The Authority notes that the demand for the subject goods has declined over injury period. It is also noted that whereas demand has declined, market share of subject imports has increased.

52. Certain interested parties have contended that the market share cannot be verified in the absence of participation of other domestic producers. The Authority notes that the applicant is required to furnish the information available to it for the purpose of initiation of investigation. Further, in its rejoinder submissions, the domestic industry submitted written communication from Eastern Naphtha Chemicals Private Limited containing details of production and capacity. Such details show a steep decline in production of that producer. The interested parties have not shown that there was alternative information available, which the applicant should have furnished. It is further noted that the Authority initiated the investigation and invited all interested parties to participate in the investigation. The other domestic producers could have also participated in the

investigation by submitting the required information. However, the other domestic producers have opted not to participate in the investigation. The interested parties have also not provided alternative information which the Authority may rely upon, or any evidence demonstrating that the information provided by the domestic industry was unreliable. In absence of the same, the Authority has relied upon the information submitted by the domestic industry with regard to production and sales of the other domestic producers for the purpose of the investigation.

**ii. Imports in Absolute and Relative Terms**

53. With regard to the volume of dumped imports, it is required to be considered whether there has been a significant increase in dumped imports either in absolute terms or relative to production or consumption in India. The volume of imports over the injury period was as follows:

| Particulars | Unit | 2021-22 | 2022-23 | 2023-24 | POI |
|---|---|---|---|---|---|
| Subject imports | MT | 20,529 | 16,824 | 16,579 | 13,780 |
| Demand | MT | 26,459 | 19,447 | 20,301 | 17,690 |
| Indian production | MT | 7,120 | 3,390 | 4,200 | 4,794 |
| Imports in relation to | | | | | |
| Consumption | % | 78% | 87% | 82% | 78% |
| Production | % | 288% | 496% | 395% | 287% |
| Total imports | % | 100% | 100% | 100% | 100% |

54. The Authority notes that:
    i. The volume of subject imports has declined over the injury period. While this is partly in response to the decline in demand it is noted that whereas demand has declined, market share of subject imports has increased.
    ii. The imports increased in relation to production and consumption in POI as compared to the base year.
    iii. The imports account for 78% of the consumption in India, demonstrating that the imports are accounting for a predominant share of the Indian market.
    iv. The subject imports account for entirety of the imports into India.

**G.3.2. <u>Price Effect</u>**

55. With regard to the price effect of the imports from the subject country, it is required to be analysed whether there has been a significant price undercutting by the dumped imports as compared to price of the like article 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 imports from the subject country has been examined with reference to price undercutting, price suppression and price depression, if any.

### i. Price Undercutting

56. For the purpose of price undercutting analysis, the net sales realisation of the domestic industry has been compared with the landed price of imports from subject country. Table is shown below:

| Particulars | Unit | Subject country |
|---|---|---|
| Net sales realization | ₹/MT | *** |
| Landed price | ₹/MT | 1,53,471 |
| Price undercutting | ₹/MT | *** |
| Price undercutting | % | *** |
| Price undercutting | Range | 0-10% |

57. It is noted that the imports are marginally undercutting the prices of the domestic industry.

### ii. Price Suppression / Depression

58. In order to determine whether the dumped imports are depressing the domestic prices to a significant degree or whether the effect of such imports is to suppress price to a significant degree or prevent price increase which otherwise would have occurred in normal course, the Authority has examined the changes in the costs of sales and net sales realisation of the domestic industry over the injury period.

| Particulars | Unit | 2021-22 | 2022-23 | 2023-24 | POI |
|---|---|---|---|---|---|
| Cost of sales | ₹/MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 129 | 116 | 114 |
| Selling price | ₹/MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 91 | 80 | 79 |
| Landed price | ₹/MT | 1,94,189 | 1,90,731 | 1,56,142 | 1,53,471 |
| Trend | Indexed | 100 | 98 | 80 | 79 |

59. The Authority notes that the cost of sales of the domestic industry has increased over the period. However, the selling price of the domestic industry has declined in response to a lower landed price. Over the injury period, while the cost of sales of the domestic industry has increased by 14%, the selling price of domestic industry and landed price of imports has declined by 21%. Barring 2022-23, the import prices and selling price of domestic industry have moved in line. It is further noted that the subject imports are priced below the cost of sales of the domestic industry. Thus, the subject imports have suppressed and depressed the prices of the domestic industry.

### G.3.3. Economic Parameters of the Domestic Industry

60. Annexure II to the Anti-Dumping Rules require that the determination of the injury shall involve an objective examination of the consequent impact of dumped imports on the domestic producers of the subject goods. With regards to the consequent impact of these imports on the domestic producers of subject goods, the Rules further provide that the examination of the impact of the dumped imports on the domestic industry would include an objective 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, actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. Accordingly, performance of the domestic industry has been examined over the injury period.

**i. Production, capacity, capacity utilization and sales**

61. The performance of the domestic industry with regard to capacity, production, sales and capacity utilization over the injury period is as below:

| Particulars | Unit | 2021-22 | 2022-23 | 2023-24 | POI |
|---|---|---|---|---|---|
| Capacity | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 100 | 100 | 100 |
| Production | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 56 | 75 | 109 |
| Capacity utilization | % | *** | *** | *** | *** |
| Trend | Indexed | 100 | 56 | 75 | 109 |
| Domestic sales | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 43 | 102 | 138 |
| Captive consumption | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 0 | 20 | 94 |
| Export sales | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 85 | 46 | 59 |

62. The Authority notes that the production, sales and capacity utilization of the domestic industry have increased over the injury period. However, the domestic industry continues to face significant underutilized production capacities.

63. The Authority notes that demand for the product fell sharply in 2022-23. Faced with decline in demand and dominance of imports, the domestic industry reduced its prices despite increase in costs on account of raw materials. Even when the domestic industry

reduced the prices, the subject imports remained significant and in fact share of subject imports increased in relation to demand in India. Demand for the product thereafter remained relatively stable and the domestic industry was able to increase its domestic sales and consequently production and capacity utilization by offering competitive prices. Resultantly, domestic sales of the domestic industry fell sharply in 2022-23 and increased thereafter till the POI. Even when the sales in the POI were higher than the base year, the domestic industry was still holding very low market share and was faced with significantly underutilized production capacities.

64. Export sales of the domestic industry fell over the injury period and the domestic industry had more material to offer in the market. Captive consumption of the domestic industry is quite low as compared to capacity and production and therefore is not a cause of low merchant sales volumes.

**ii. Market share in demand**

65. The market share of subject imports, domestic industry and other producers over the period was as under.

| Market share of | Unit | 2021-22 | 2022-23 | 2023-24 | POI |
|---|---|---|---|---|---|
| Domestic industry | % | *** | *** | *** | *** |
| Trend | Indexed | 100 | 52 | 122 | 200 |
| Other producers | % | *** | *** | *** | *** |
| Trend | Indexed | 100 | 64 | 61 | 45 |
| Indian Industry as a whole | % | 22% | 13% | 18% | 22% |
| Subject imports | % | 78% | 87% | 82% | 78% |

66. It is seen that the dumped imports command predominant share in the Indian market. Further, market share of subject imports increased in 2022-23, when demand for the product declined. Even when market share of imports declined thereafter, the same is due to efforts made by the domestic industry to sell more volumes. Further, the market share during the period of investigation is higher than that at the beginning of the injury period and continued to constitute predominant share in Indian market. The Authority notes that the domestic industry lost market share in 2022-23 when the demand for the product declined. Thereafter, the domestic industry gained market share. However, market share of the domestic industry continued to remain at low levels despite unutilised production capacities and competitive prices offered by the domestic industry. Further, the other domestic producers and the Indian industry as a whole have lost market share over the injury period.

67. The domestic industry has highlighted that while it could have catered to a much larger market, it has been relegated to a very small market share. The Authority notes that the

capacity in India is sufficient to cater to a much higher share of 86% in total demand in India. However, as against this, the industry as a whole holds a share of 22%, while the subject imports account for 78%. Even if the actual achieved capacity utilization of the domestic industry in the past is considered, the Indian industry could have catered to the majority share. However, it has been relegated to the minority share by the subject imports.

**iii. Inventories**

68. Inventories of the domestic industry over the injury period were as follows.

| Particulars | Unit | 2021-22 | 2022-23 | 2023-24 | POI |
|---|---|---|---|---|---|
| Opening inventory | MT | *** | *** | *** | *** |
| Closing inventory | MT | *** | *** | *** | *** |
| Average inventory | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 166 | 191 | 114 |

69. The Authority notes that the inventories with the domestic industry increased in 2022-23 despite reducing production. Thereafter, whereas inventories declined till the beginning of the POI, the same increased again towards the end of the POI. It is noted that the domestic industry has sold at losses to dispose of such inventories.

**iv. Employment, productivity and wages**

70. The Authority has examined the information relating to employment, wages and productivity, as given below:

| Particulars | Unit | 2021-22 | 2022-23 | 2023-24 | POI |
|---|---|---|---|---|---|
| No. of employees | Nos. | *** | *** | *** | *** |
| Trend | Indexed | 100 | 80 | 90 | 106 |
| Salaries and wages | ₹ lakhs | *** | *** | *** | *** |
| Trend | Indexed | 100 | 67 | 68 | 92 |
| Productivity per employee | MT/Nos | *** | *** | *** | *** |
| Trend | Indexed | 100 | 70 | 83 | 103 |

71. The Authority notes that the number of employees and productivity of the domestic industry has increased over the injury period with increase in production. However, the salaries and wages of the domestic industry have declined. The domestic industry has not claimed any injury on this account.

**v. Profits, cash profits and return on capital employed**

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

| Particulars | Unit | 2021-22 | 2022-23 | 2023-24 | POI |
|---|---|---|---|---|---|
| Cost of sales | ₹/MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 129 | 116 | 114 |
| Selling price | ₹/MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 91 | 80 | 79 |
| Profit/loss | ₹/MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | -1,584 | -1,498 | -1,443 |
| Profit/loss | ₹ lakhs | *** | *** | *** | *** |
| Trend | Indexed | 100 | -733 | -1,654 | -2,173 |
| Cash profits | ₹ lakhs | *** | *** | *** | *** |
| Trend | Indexed | 100 | -394 | -901 | -1,205 |
| Cash profits | ₹/MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | -876 | -840 | -824 |
| Return on capital employed | % | *** | *** | *** | *** |
| Trend | Indexed | 100 | -662 | -1,179 | -1,430 |

73. It is noted that:

i. The domestic industry has incurred losses throughout the injury period, barring the base year. Further, the losses of the domestic industry have increased significantly in the POI as compared to 2022-23 and 2023-24.

ii. The domestic industry has also emphasized that it has been forced to sell the subject goods below its variable cost in order to compete with the imports.

iii. The domestic industry has incurred steep cash losses and negative return on capital employed in the injury period.

74. Certain interested parties have claimed that the injury may be attributable to increased interest and depreciation costs. The Authority notes that Earnings before Interest and Depreciation, EBIDTA, are also negative, and have declined over the injury period. Therefore, the domestic industry has incurred a loss, before providing for interest and depreciation expenses. That being the case, the losses suffered cannot be attributed to interest and depreciation costs faced.

| Particulars | Unit | 2021-22 | 2022-23 | 2023-24 | POI |
|---|---|---|---|---|---|
| EBIDTA | ₹ lakhs | *** | *** | *** | *** |
| Trend | Indexed | 100 | -296 | -695 | -911 |

75. The interested parties have alleged that the increase in depreciation cost shows new investment, which goes against the claim of injury. It is noted that each capital addition in a business does not necessarily entail capacity addition. In a normal business situation, a producer may require replacement of certain plant and machinery, or purchase ancillary fixed assets, not leading to capacity addition. The fixed assets details of the domestic industry and depreciation costs claimed have been verified. The Authority has relied upon the verified information in this regard.

**vi. Growth**

76. The growth of the domestic industry in terms of volume and profitability parameters is as under.

| Particulars | Unit | 2021-22 | 2022-23 | 2023-24 | POI |
|---|---|---|---|---|---|
| Production | % | - | -44% | 34% | 45% |
| Domestic sales | % | - | -57% | 138% | 36% |
| Profit / loss | % | - | -833% | -126% | -31% |
| Cash profits | % | - | -494% | -129% | -34% |
| Return on capital employed | % | - | -762% | -78% | -21% |

77. It is noted that the volume parameters of the domestic industry have shown positive growth in the injury period. However, the profitability parameters of the domestic industry showed a negative growth throughout the injury period.

**vii. Ability to Raise Capital Investment**

78. The Authority notes that the profitability of the domestic industry has declined significantly and the domestic industry has incurred significant losses and cash losses in the period of investigation. The EBIDTA of the domestic industry itself is negative. Thus, the imports have adversely impacted the ability of the domestic industry to raise capital investment.

**viii. Magnitude of Dumping Margin**

79. The Authority notes that the subject goods are being dumped in India from the subject country. The dumping margin is positive, and significant.

**ix. Factors affecting prices**

80. The Authority notes that the imports account for the majority share in the market. Contrary to the claims of the interested parties, the domestic industry does not account for a significant enough share in the market to be a price setter. The imports constitute

more than 75% of the market, and are setting the prices in the market. The domestic industry has supplied the product at prices comparable to the subject imports. The information on record also shows that the domestic industry has not been able to increase its prices in response to the increase in cost. Rather, the imports have depressed the prices of the domestic industry. In view of the same, it is noted that the subject imports have impacted the prices of the domestic industry.

## H. <u>CAUSAL LINK</u>

### H.1. <u>Non-attribution analysis</u>

81. Having examined the existence of injury, volume and price effects of dumped imports on the prices of the domestic industry, the Authority has examined whether injury to the domestic industry can be attributed to any factor, other than the dumped imports, as listed under the Rules:

**a. Volume and value of imports from third country**

82. It is noted that apart from the subject country, there are no imports into India. Thus, injury to the domestic industry cannot be attributed to imports from other countries.

**b. Contraction in demand**

83. While the demand for the subject goods has declined over the injury period, the demand continues to remain higher than the capacity in India. The domestic industry has faced injury as the subject imports are accounting for the predominant share in demand, while the Indian industry holds a minority share. In view of the significant demand existing in the market, the Authority does not find that the industry has suffered injury due to contraction in demand.

**c. Pattern of consumption**

84. No changes in pattern of consumption have been identified, which could have caused injury to the domestic industry. Thus, the injury to the domestic industry cannot be attributed to changes in patterns of consumption.

**d. Conditions of competition and trade restrictive practices**

85. There are no trade restrictive practices or conditions of competition, which may have caused injury to the domestic industry

**e. Developments in technology**

86. The investigation has not revealed any changes in technology, which could have led to obsolescence of technology held by the domestic industry. In view of the same, the Authority does not find that the injury to the domestic industry can be attributed to developments in technology.

**f. Productivity**

87. The productivity of the domestic industry has increased over the injury period. Thus, injury is not due to decline in productivity.

**g. Export performance of the domestic industry**

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

89. As regards the submissions that the export price of the domestic industry has declined over the injury period, the Authority notes that during the period of investigation, the export price of the domestic industry has remained higher than its domestic selling price. In such a situation, the domestic industry cannot be considered to have suffered due to its export performance.

**h. Performance of other products**

90. The injury suffered cannot be attributed to the performance of other products of the company, as the domestic industry has segregated and provided information with regard to the like article only.

**i. Injury due to own imports**

91. Certain interested parties have argued that the domestic industry has suffered injury due to own imports. However, the Authority has examined the issue and found that the imports of the domestic industry are negligible in relation to the subject imports into India. Further, the imports are negligible in relation to the own production of the domestic industry. Therefore, the own imports of the domestic industry have not caused injury to it, as alleged by the interested parties.

**j. Incompetitiveness of the domestic industry**

92. Certain interested parties have contended that the fact that the domestic industry is importing for captive consumption shows that the domestic industry is not competitive in global market. The Authority notes that the domestic industry has imported under advance authorization program. Such program permits parties to import duty-free, even after imposition of anti-dumping duty. It is found that the imports were priced below the cost of sales of the domestic industry. If other producers of downstream product are importing the product duty-free at dumped prices, and exporting the same, the domestic industry cannot use its own material, and be competitive with other producers. The use of imported raw material does not reveal incompetitiveness of the domestic industry, but merely highlights the cheaper prices at which the imported material was available.

**k. Covid, Russia-Ukraine conflict and tensions related to Israel, and decline in demand worldwide**

93. The interested parties have also relied on the earnings call of the domestic industry to argue that the domestic industry has itself attributed the decline in its performance due to Covid-19, Russia-Ukraine conflict and tensions related to Israel. The Authority notes that

such statements have been made in the context of 2022-23, and not the period of investigation. By contrast, the information on record shows that the profitability of the domestic industry has deteriorated significantly in 2023-24 and the period of investigation. Thus, the same cannot be attributed to the factors highlighted by the parties. Further, the statements made relate to dye intermediates as a whole, sold in both domestic and export markets, while the Authority has conducted injury analysis for the sales of subject goods in the domestic market. Therefore, the Authority has relied upon the verified data, in arriving at its determinations.

94. As regards the decline in demand worldwide, the Authority has already noted that the demand for the subject goods has declined. However, the demand continues to remain significantly higher than the Indian capacity. Further, the domestic industry has witnessed an increase in its volume parameters. That being the case, the injury to the domestic industry is not on account of any decline in demand.

## I. INJURY MARGIN

95. The Authority has determined the non-injurious price for the domestic industry on the basis of the 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 country for calculating the injury margin. For determining the non-injurious price, the best utilisation of the raw materials, the utilities and the production capacity by the domestic industry over the injury period have been considered. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on the average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules and is being followed.

96. The landed price for the cooperative exporters has been determined on the basis of the data furnished by the exporters.

97. For all the non-cooperative producers/exporters from the subject country, the Authority has determined the landed price based on facts available.

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

**Injury Margin Table**

| SN | Name of Producer | Non-Injurious Price | Landed Price | Injury Margin | Injury Margin | Injury Margin |
|---|---|---|---|---|---|---|
| | | (USD/MT) | (USD/MT) | (USD/MT) | (%) | (Range) |
| 1. | Inner Mongolia Wuhai Yadong Fine Chemical Co., Ltd. | *** | *** | *** | *** | 10-20 |
| 2. | Sunshine Group | *** | *** | *** | *** | 10-20 |
| a. | Jining Sunshine Chemical Co. Ltd. | *** | *** | *** | *** | 10-20 |
| b. | Shandong Century Sunshine Technology Co., Ltd. | *** | *** | *** | *** | 5-15 |
| 3. | Any other producer | *** | *** | *** | *** | 20-30 |

## J. INDIAN INDUSTRY’S INTEREST & OTHER ISSUES

### J.1. Submissions by other interested parties

99. The other interested parties have made the following submissions with regard to the Indian industry’s interest:
    i. The capacity of the domestic industry is not sufficient to cater the demand of the country, thus leading to reliance on imports to fill the demand-supply gap. Many users rely on imports, as they prefer to have a single source.
    ii. To determine the demand-supply gap, Indian demand should not be compared with the unverifiable Indian capacity, but should be compared with production or capacity of the domestic industry.
    iii. The impact of the duty presented by the applicant is solely on the dyes sector and ignored all other sectors which shows a misleading picture. The impact on Kalpsutra will be substantial as the product under consideration constitutes over 50% of the total cost.
    iv. The product under consideration is a critical input for certain users, and imposition of anti-dumping duty which would increase the cost of production for such users and impact their interest. The users have limited ability to pass on the increase in cost due to competition in the downstream market.
    v. Imposition of anti-dumping duties would lead to supply shortages, supply chain disruption, and higher raw material costs, rendering the downstream industries uncompetitive.
    vi. Imposition of anti-dumping duty will make the downstream product less attractive in the global markets.
    vii. Imposition of anti-dumping duty may compel the customers of the downstream industry to seek alternate material which will lead to decline in demand for their product.

viii. The product under consideration is a critical input used in pharmaceutical industry. The cost of Beta Naphthol in the total cost of downstream product is 35- 40%.
ix. The imposition of duty will lead to increase in costs of medicines, adversely affecting the healthcare sector, public health and policy of the Government encouraging APIs and KSMs.
x. Dr. Reddy uses Beta Naphthol to manufacture Naproxen, which was once included in essential commodities list, for sale in India and global markets.
xi. Increase in price of the product under consideration would increase costs for Indian pharma and agrochemical products, making exports less competitive and thus, reducing foreign earnings.
xii. The exporters are already facing prohibitive tariffs in USA, and the imposition of duty would further weaken their ability to sustain exports.
xiii. The impact analysis submitted by the user in their questionnaire response shows the adverse impact of duty on downstream users.
xiv. The domestic industry is not equipped with enough capacity to cater the demand of Dr. Reddy and it is forced to import the product.
xv. Imposition of anti-dumping duty will lead to supply shortages.
xvi. The claim that the domestic industry would be forced to shut down is a huge exaggeration as the production, sales and market share of the domestic industry have increased in the injury period.
xvii. The fact that two producers that are small / medium scale producers have not supported the present application shows that the domestic industry, which is a large scale multi-national corporation, is seeking undue protection.
xviii. Irregular captive consumption by the domestic industry makes supply of the product under consideration unreliable, disrupting planning and operations for downstream users.
xix. The Authority is requested to grant exemption to the pharmaceutical industry from anti-dumping duty as only a small share of total domestic production of Beta Naphthol is consumed by the pharmaceutical sector compared to other industries in India.
xx. The imposition of duty would prevent long-term contracts and investment decisions by downstream industries. It may slow technology absorption, limit access to various specifications demanded in high-performance applications, and disincentivize downstream value addition in India
xxi. Submission of the domestic industry that the Chinese producers receive government support are not supported by evidence.

**J.2. <u>Submissions by the domestic industry</u>**

100. The domestic industry has made the following submissions with regard to the Indian industry's interest:

i. Apart from India and China, there are no other producers of the subject goods globally. If production in India ceases, both India and the rest of the world would become entirely reliant on imports from China, thereby enabling China to raise prices and disrupt fair market conditions.

ii. The imposition of the anti-dumping duties is essential to ensure a level playing field in the Indian market, the viability of domestic production of the like article, and prevent India from becoming solely import reliant in the product.

iii. It is in the consumers' interest to have a competitive domestic industry that can supply the product alongside fairly priced imports. If consumers become entirely dependent on imports, they would be compelled to maintain higher inventory levels, whereas domestic sourcing allows for lower inventory requirements.

iv. Encouraging domestic manufacturing activities is essential to make India the manufacturing powerhouse it aims to become, and would boost employment and increase the GDP of the country.

v. The product under consideration serves as a chemical intermediate in various industries and is not a major raw material for downstream products. Its cost represents only a miniscule part of overall production costs, so any impact on downstream users from the proposed duties would be minimal.

vi. The impact of duty on users for various products would be less than 1%.

vii. The domestic industry has quantified the impact of the product under consideration on the major sectors, namely the pharmaceutical and dyes industries, which together account for the predominant share of demand. Other downstream industries, such as the fragrance industry, constitute only a small part of total demand in India.

viii. The user, Kalpsutra, has claimed an impact of 50% without submitting any backup. They should be directed to substantiate the claim.

ix. DRL itself has acknowledged that the pharmaceutical industry accounts for only a small proportion of total domestic production of Beta Naphthol, and thus, the impact on its product may not be representative of the public.

x. The domestic industry has quantified the impact of duty on the product produced by DRL at 0.63%.

xi. DRL has not shared a non-confidential version of the impact calculated by it with the interested parties.

xii. Since significant imports are under advance authorization, such imports can continue, even after imposition of duty. Thus, the duty shall not affect exports.

xiii. If the losses continue, it would impact the viability of operations of the domestic industry, and the domestic industry would be forced to cease operations.

xiv. Non-imposition of duty would lead to monopolization of market by Chinese producers, who may divert product to another market, in case better prices are offered.

xv. Since the domestic industry is only seeking re-establishment of fair prices, no undue remedy would accrue to the domestic industry.

xvi. Existence of a demand-supply gap is not a justification for dumping. The same has been settled through various findings of the Authority and decisions of Courts.

xvii. While the interested parties have claimed that the domestic industry has provided unverified information, the interested parties have provided no information at all.

xviii. There is no basis for seeking that the capacity of other domestic producers be excluded in the determination of demand-supply gap.

xix. The information with regard to capacity of Eastern Naphtha Chemicals Private Limited has been received from the producer itself, and the communication has been enclosed. The capacity claimed for Multi Organics Private Limited corresponds with the capacity mentioned in the Environmental Clearance Certificate available on their website.

xx. Low-priced imports of the subject goods have caused unnecessary outflow of foreign exchange, with imports covering 84% of the Indian market during the investigation period. Imposing duties would encourage preference for domestic goods, conserve foreign exchange, particularly since the applicant relies on indigenous raw materials.

xxi. The imposition of duty would be consistent with the "Make in India", "Vocal for Local" and "AtmaNirbhar Bharat" missions of the Government.

xxii. Although India has a demand–supply gap, the domestic industry is making losses, the capacity of the industry is underutilized, and imports meet most demand. In this situation, further investment is unlikely and not attractive to new investors. New capacity addition requires investment of ₹ 30-40 crores, which is not possible at present.

xxiii. There is a lack of alternative sources of supply, demonstrating the need to preserve the existing domestic sources.

xxiv. The Chinese producers are receiving significant support from the Government, which allows them to export at lower prices.

xxv. The users want the domestic industry to continue to compete with unfair imports, so that they do not have to compete with fair imports. Since anti-dumping duty is limited to the dumping margin, the users would, at best, be at par with global competitors post imposition of duty. If users are not able to compete at such prices, it implies an inefficiency on their part.

xxvi. Only one user has filed a response to Economic Interest Questionnaire, in which it has stated that the product does not have substitutes. In any case, since the impact of duty is negligible, the users have no reason to seek alternative products, as alleged by interested parties.

xxvii. Contrary to claim of the interested parties, in absence of domestically produced raw materials, the objective of strengthening the domestic API and KSM would be undermined.

xxviii. The concerns regarding supply shortages are unfounded as the importers can continue to import subject goods from the subject country at fair prices even post imposition of anti-dumping duty.

xxix. DRL is in bumped profits, and has earned a profit of ₹ ***crores, while the domestic industry has incurred a loss. No case for exemption to pharmaceuticals industry is made out.

xxx. The share of captive consumption in total production is negligible. Considering that the domestic industry holds significant underutilized capacities, it cannot be considered that the users are unable to purchase because of the captive consumption.

## J.3. Examination by the Authority

101. The Authority notes that the primary objective of anti-dumping duties is to rectify the injury inflicted upon the domestic industry by the unjust trade practices of dumping, thereby fostering an environment of open and equitable competition in the Indian market. The imposition of anti-dumping measures is not designed to curtail imports from the subject country, rather it is a mechanism to ensure a level playing field. However, it is crucial to note that the essence of fair competition in the Indian market will remain intact by the imposition of these measures. The imposition of anti-dumping measures serves to prevent the accrual of unfair advantages through dumping practices. Thus, anti-dumping duties are not a hindrance but a facilitator of fair-trade practices.

102. The Authority issued the initiation notification, inviting views from all interested parties including importers, users and consumers. An Economic Interest Questionnaire was also prescribed to allow various stakeholders, including the domestic industry, producers/exporters and importers/users/consumers to provide relevant information concerning the present investigation, including the possible effect of anti-dumping duty on their operations.

103. With regard to the submissions that there is demand-supply gap in India, the Authority notes that the domestic industry is suffering significant under-utilisation of production capacities. In any case, demand-supply gap is not a justification for dumping in India. The Authority has determined the dumping margin based on the response filed by the foreign producers and exporters. The dumping margin is positive. Further, demand-supply gap in India does not bar the domestic industry from seeking redressal against such dumping of the product in the country.

104. The Authority notes that the demand-supply gap shall be determined having regard to the total demand and total supply in the country. The domestic industry has already provided evidence with regard to capacities of the other domestic producers, as was available to it. The other interested parties have not demonstrated that the capacities claimed by the domestic industry were not appropriate. The Authority has relied upon the total Indian capacities for the determination of demand-supply gap.

| Particulars | Unit | Volume |
|---|---|---|
| Demand | MT | 17,499 |
| Indian capacity | MT | 15,000 |
| Demand-supply gap | MT | 2,499 |
| Subject imports | MT | 13,780 |

105. The Authority further notes that the existence of demand-supply gap underscores the need for fresh investment in the country. The domestic industry has claimed that fresh capacity addition requires an investment of ₹ 30-40 crores. The Authority notes that in the present situation, the domestic producers have been relegated to an insignificant market share, while the subject imports control the market. the domestic producers are faced with underutilized capacities. The information on record shows losses to the domestic industry. The market situation for the product is not conducive for investment. Therefore, the continuation of dumping would not address the demand-supply gap, but only prevent further investment.

106. As regards the argument that the domestic industry has consumed the product captively, the Authority notes that the captive consumption by the domestic industry is insignificant in relation to its production and capacities. In contrast, the domestic industry is faced with significant underutilized capacities.

| Particulars | Unit | 2021-22 | 2022-23 | 2023-24 | POI |
|---|---|---|---|---|---|
| Capacity | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 100 | 100 | 100 |
| Production | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | 56 | 75 | 109 |
| Capacity utilization | % | *** | *** | *** | *** |
| Trend | Indexed | 100 | 56 | 75 | 109 |
| Captive consumption | MT | *** | *** | *** | *** |
| Trend | Indexed | 100 | - | 20 | 94 |
| Captive consumption as % of capacity | % | *** | *** | *** | *** |
| Trend | Indexed | 100 | - | 20 | 95 |
| Captive consumption as % of production | % | *** | *** | *** | *** |
| Trend | Indexed | 100 | - | 27 | 87 |

107. The domestic industry has quantified the impact of duties on the downstream products. The same has been summarized below. The domestic industry has, therefore, claimed that the impact of duty of 10% would be in the range of 0.16% to 0.99% on various products. The Authority notes that considering the proposed duty of about 10-20%, the impact on actual landed price, as per calculations submitted by domestic industry, is as below.

| Particulars | Price of Dye | Landed price of PUC | Cost increase by 12% in case of Anti-Dumping Duty | Beta consumed in 1 kg Dye | Impact |
|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| Unit | ₹/Kg | ₹/Kg | ₹/Kg | Kg/Kg | ₹/Kg | % |
| Acid Black 164 | 500 | 153 | 18.36 | 0.05 | 0.918 | 0.18% |
| Direct Red 239 | 500 | 153 | 18.36 | 0.3 | 5.508 | 1.10% |
| Pigment Red 49:1 | 360 | 153 | 18.36 | 0.23 | 4.2228 | 1.17% |
| Reactive Orange 84 | 500 | 153 | 18.36 | 0.17 | 3.1212 | 0.62% |
| Metanil Yellow R | 520 | 153 | 18.36 | 0.1 | 1.836 | 0.35% |
| Acid Red 88 | 400 | 153 | 18.36 | 0.25 | 4.59 | 1.15% |
| Pigment Orange 5 | 680 | 153 | 18.36 | 0.4 | 7.344 | 1.08% |
| Reactive Red 141 | 400 | 153 | 18.36 | 0.18 | 3.3048 | 0.83% |

108. The domestic industry has also quantified the duty on Naproxen Sodium, the product produced by Dr. Reddy's Laboratories Limited (Dr. Reddy's). The information provided by the domestic industry shows that the impact of duty on the final price of the product would be insignificant.

| Particulars | Unit | Pharmaceuticals - Naproxen Sodium |
|---|---|---|
| Estimated price of downstream product | ₹/Kg | 4,000 |
| Cost of PUC | ₹/Kg | 153 |
| Cost increase by 12% | ₹/Kg | 18.36 |
| Beta consumed in 1 kg of Naproxen | Kg/Kg | 1.6 |
| Impact | ₹/Kg | 29.38 |
| Impact | % | 0.73% |

109. Both the users, Kalpsutra Chemicals Private Limited (Kalpsutra) and Dr. Reddy's have disputed the calculations provided by the domestic industry. Kalpsutra has claimed that the impact of duties on its operations would be 50%. However, it has not provided any calculations in support of its argument nor the claimed impact appears reasonable. Therefore, the Authority has not relied upon the impact claimed by Kalpsutra.

110. Dr. Reddy's has provided a calculation of impact on its product. However, the same was based on an inordinately high landed price, and impact of duty. The Authority revised and adjusted the same to reflect the landed price prevailing during the period of investigation, and the duty recommended. The impact of duty quantified is seen as below.

| Product | Impact | Impact Range |
|---|---|---|
| 2 6 AMN (Consumed in-house) | *** | 3-4% |
| DL Acid | *** | 1.5-2.5% |
| Naproxen | *** | 1.5-2.5% |

| | | |
|---|---|---|
| Naproxen Sodium | *** | 1-2% |

111. It is, therefore, noted that the impact of duty as per calculations furnished by Dr. Reddy's is also not significant. The highest impact is on 2 6 AMN, which is consumed captively by the user. The impact on remaining products is much lower, and not as high as that claimed by the user.

112. With regard to the submissions that imposition of anti-dumping duty will lead to increase in cost of the downstream industry making it unviable, the Authority notes that viability of the downstream industry cannot be dependent upon dumped prices of the product under consideration.

113. With regard to performance of downstream industry in export market, the Authority notes that in order to export the downstream product, the user industry can import the product under consideration under advance license without payment of anti-dumping duty. Already, significant exports are being made under advance authorization.

114. As regards the request for exemption to pharmaceuticals industry, no case has been made out for the same. As per the evidence placed on record by all interested parties, the impact of duty on the pharmaceuticals industry is also insignificant. The industry is in significant profits, and can import raw materials at fair competitive rates. There is no need for concern that the industry would be forced to pass on the price increase to the downstream consumers. The importance of the pharmaceuticals sector only underscores the need for a vibrant and healthy industry of the subject goods in India.

115. As regards non-participation by the other domestic producers, the Authority notes that the applicant itself accounts for more than 70% of the Indian production. In such a situation, no adverse inference can be drawn from the absence of participation by other domestic producers.

## K. POST DISCLOSURE COMMENTS

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

116. The other interested parties have made the following submissions post issuance of the disclosure statement:
    i. The applicant is a regular importer of the subject goods and is not eligible to constitute domestic industry as per the Anti-Dumping Rules. The Authority has held that the imports by the applicant are in the range of 5-10%. Such significant imports make the applicant a major importer of the product and the analysis that the focus of the producer remains on production is incorrect.
    ii. The injury to the domestic industry is self-inflicted as the applicant has acted as a price setter by importing significant quantity of imports at low prices.

iii. There is no price injury as the landed price of subject imports was above the selling price of the domestic industry. Since the subject imports were not undercutting the prices of the domestic industry, there can be no price pressure due to such imports and hence, no price suppression or depression.

iv. Since the domestic industry has improved its market share, the decline in selling price is a commercial strategy to increase volume and market share. This is also evident from the fact that the export price of the applicant has moved in tandem with the domestic selling price.

v. While the Authority has concluded that the market share of subject imports has increased, the data provided in the disclosure statement shows that the market share has remained constant in the period of investigation as compared to the base year and has declined as compared to 2022-23 and 2023-24.

vi. Similarly, contrary to the conclusion drawn by the Authority, the data shows that the subject imports declined significantly in the period of investigation in relation to production and consumption compared to previous years and remained the same as compared to the base year.

vii. The examination made by the Authority on injury is contradictory and does not show injury to the domestic industry as the volume parameters of the domestic industry including production, sales, capacity utilization and market share have increased significantly over the injury period despite decline in demand.

viii. There is no volume injury as the imports from China declined at the rate faster than decline in demand in India. The imports have moved in tandem with demand in India. Merely because the subject imports hold large market share does not show injury by itself.

ix. There is no injury to the domestic industry as the inventories of the domestic industry have declined, productivity has increased.

x. The Authority failed to examine the submissions of the other interested parties with regard to other reasons of injury to the domestic industry. The domestic industry has suffered injury due to (a) demand-supply gap in India and preference to the users to maintain single source of procurement for complete requirement, (b) low-priced imports by the applicant and (c) increase in interest cost.

xi. Since there is no volume effect or price effect, there can be no causal link between imports of subject goods from the subject country and injury to the domestic industry.

xii. There is no causal link between subject imports and injury as the decline in the profitability of the domestic industry declined even when the landed price of the subject imports remained almost same in 2021-22 and 2022-23 and the volume of imports declined.

xiii. While the Authority has concluded that contraction in demand has not caused injury to the domestic industry as the demand is more than capacity of the domestic industry. However, with contraction in market size, profitability and pricing decision of a producer is affected which is unrelated to imports.

xiv. The analysis regarding the demand-supply gap and necessity of imports in India is erroneous as the Authority has relied on unverified capacity information provided from the domestic industry. While the Authority has held that none of the interested parties has provided evidence to the contrary, the Authority has not considered the fact that the capacity information was not disclosed to the other interested parties by the domestic industry in order for the other interested parties to dispute the same.

xv. Imposition of anti-dumping duty would raise costs of the downstream users, reduce their competitiveness in both domestic and international markets.

xvi. The Authority should consider the broader downstream impact for industries where Beta Naphthol is used as a key input.

xvii. The product under consideration is a critical input used in pharmaceutical industry. It is used at the initial stages of a multi-stage production process and a cost increase at this stage will affect subsequent intermediate and final products, as well as the competitiveness of the pharmaceutical industry at the global stage.

xviii. Existence of a demand-supply gap will necessitate imports. Further, users cannot be expected to bear burden of cost increase in present to foster investment in future.

xix. Imports under advance authorization license is not a viable solution since pharmaceutical end products are sold in domestic and international markets.

xx. The Authority should grant end-use based exemption to the pharmaceutical industry, which accounts for a very small share in the total consumption.

xxi. The Authority is requested to confirm the final findings in respect to determination of individual margin as determined in the disclosure statement for Inner Mongolia and Sunshine Group.

xxii. The anti-dumping duty should be based on injury margin.

xxiii. The Authority has provided insufficient time to file comments to disclosure which has prevented the parties from analyzing the findings and defending their interest.

xxiv. The Authority should either terminate the investigation or issue a fresh disclosure correcting the errors in the current disclosure statement.

xxv. A non-confidential version of the rejoinder and the comments on disclosure statement submitted by the domestic industry should be shared with all parties, along with an opportunity to address these issues.

## K.2. <u>Submissions by domestic industry</u>

117. The domestic industry has made the following submissions post issuance of the disclosure statement:

i. The Authority is requested to confirm the disclosure with regard to domestic industry and standing, dumping, injury and causal link.

ii. The domestic industry has continued to suffer material injury post period of investigation as the landed price of subject imports has remained below the cost of sales of the domestic industry.

iii. The domestic industry has suffered losses and cash losses post period of investigation.
iv. The inventories of the domestic industry have increased even though it has sold at losses post period of investigation.
v. The cumulative losses of the domestic industry have increased significantly post period of investigation.
vi. The non-injurious price determined for the domestic industry is not appropriate as the same is much below the claimed non-injurious price. Further, a proper disclosure of the non-injurious price has not been provided to the domestic industry.

**K.3. <u>Examination by the Authority</u>**

118. The Authority has examined the post disclosure submissions made by the domestic industry and the other interested parties and notes that a number of submissions are reiterations which have already been examined suitably and addressed adequately in the relevant paras of the final findings. The issues raised for the first time in the post-disclosure comments/submissions by the interested parties and the domestic industry and those backed up with evidence have been considered relevant by the Authority are examined below.

119. With regard to the submissions that the domestic industry is a regular importer of the product, the Authority has already held in the relevant section that the imports are negligible in relation to production of the applicant, subject imports and demand in the country. Thus, the Authority has considered the applicant eligible to constitute domestic industry in the present investigation. Further, since the imports by the domestic industry is negligible and imported only for self-consumption, such imports have not impacted the overall market price in India and hence, the domestic industry cannot be considered as a price setter.

120. With regard to the submissions that the decline in selling price is a commercial decision of the domestic industry to gain market share, the Authority notes that the landed price of the subject imports was below the cost of sales of the domestic industry. In such a case, the domestic industry was unable to charge prices in accordance with the cost of sales. It is further noted that during 2021-22 when the landed price was above the cost of sales of the domestic industry, the domestic industry was profitable.

121. The other interested parties have submitted that the market share of the subject imports has not increased. The Authority notes that the market share has remained significant even after decline in demand in India. The Authority has already noted that the market share of the subject imports has declined in the period of investigation as compared to previous year and 2022-23 due to efforts made by the domestic industry to sell higher volumes.

122. With regard to the submissions regarding imports in relation to production and consumption, the Authority notes that the subject imports have remained more or less at the same level during the period of investigation as compared to the base year despite decline in demand in India.

123. As regard the submission, that the domestic industry has suffered injury even post the period of investigation, the Authority notes that since the Authority has already concluded injury during the period of investigation, the submissions with regard to post period of investigation performance are not being considered.

124. The Authority notes that the other interested parties have submitted that the demand-supply gap has been determined based on unverified information and the other interested parties did not have an opportunity to provide submissions with regard to the accuracy of total capacities in India as the said figure was not shared by the domestic industry. The Authority notes that the total capacity in India has been shared in the disclosure statement, however, even after disclosure of the said information, the other interested parties have not provided any contrary evidence regarding the Indian capacities. In such a case, the Authority has relied upon the information on record with regard to the Indian capacities.

125. As regard the submissions that the domestic industry has suffered injury due to demand-supply gap, low priced imports by the applicant and increase in interest cost, the Authority has already examined the said issue in the relevant part of the present notification.

126. The Authority notes that the other interested parties have submitted that there is no causal link between subject imports and injury to the domestic industry as the profitability of the domestic industry declined in 2022-23 even though the import price remained same as 2021-22. The Authority in this regard notes that while landed price of subject imports was above the cost of sales of the domestic industry in 2021-22, the cost of sales increased in 2022-23. However, the landed price declined during this period. Due to this, the domestic industry was unable to increase its prices in line with increase in cost of sales and accordingly, the profitability of the domestic industry was adversely impacted.

127. The other interested parties have submitted that imposition of anti-dumping duty will make downstream users uncompetitive in domestic as well as international markets, the Authority notes that the subject imports are being dumped in India and such dumping has caused injury to the domestic industry. The user industry cannot have access to dumped imports in order to stay competitive in the domestic market. Further, the anti-dumping duty is recommended to be imposed on all imports into India and hence, all users in India will have access to the subject imports at fair prices which will not impact competitiveness of any particular user in India. With regard to the international market, the user industry is free to import the product under consideration under advance

authorisation and without payment of any anti-dumping duty. Thus, the competitiveness of the user industry in export market would not be hampered.

128. As regard the request for end-use based exemption, the Authority notes that there is no information on record which justifies end-used based exemption in the present investigation.

129. With regard to the submission by the domestic industry that the non-injurious price is not appropriate, the Authority notes that the non-injurious price has been determined as per the principles laid down under Annexure III to the Anti-Dumping Rules.

130. With regard to request for circulation of non-confidential version of rejoinder and comments to disclosure filed by the domestic industry, the Authority notes that such submissions have not been circulated as per the practice of the Authority. Further, even the user industry which has requested for such submissions has not circulated its own rejoinder submissions and comments to disclosure.

131. As regard the submissions that insufficient time has been provided to the other interested parties for comments on disclosure, the Authority notes that all the interested parties have been provided the same timeline for filing of comments. Further, none of the interested parties have requested for extension of time for filing the comments.

## L. CONCLUSIONS

132. Having examined the submissions made by all interested parties and issues raised therein, and considering the facts available on record, the Authority concludes the following:
   a. The scope of product under consideration is Beta Naphthol or 2-Naphthol or β-Naphthol with chemical formula chemical formula is $C_{10}H_8O$.
   b. No PCN methodology was required to be adopted for the purpose of the present investigation.
   c. The domestic industry has produced like article to the imported product under consideration.
   d. The applicant has imported a negligible quantity of the subject goods during the period of investigation. The applicant has, therefore, been considered eligible to constitute domestic industry, in view of the low volume of imports.
   e. The applicant constitutes a major proportion of the domestic production of the subject goods and thereby constitutes domestic industry under Rule 2(b) of the Anti-Dumping Rules.
   f. The Authority has relied upon the DG Systems data for the purpose of the present investigation.
   g. The dumping margin and injury margin for cooperative producers has been determined based on their responses filed, after due desk verification.
   h. The dumping margin and injury margin for all producers from the subject country is positive and significant.

i. The domestic industry has suffered material injury during the present period of investigation.
    i. While the subject imports have declined in absolute terms, the imports have remained constant in relation to production and consumption in India.
    ii. The imports are undercutting the prices of the domestic industry in the market.
    iii. The domestic industry has not been able to increase its prices, in response to an increase in cost. The imports have suppressed and depressed the prices of the domestic industry.
    iv. The production and sales of the domestic industry have increased over the period. However, the domestic industry has significant underutilized capacities despite demand for the product in the market.
    v. While the industry had a capacity sufficient to meet 86% of the demand, it held a minority share, while the imports account for a dominant position.
    vi. The losses of the domestic industry have increased significantly compared to the previous periods.
    vii. The domestic industry has suffered significant cash losses and negative return on investment.
    viii. The EBIDTA of the domestic industry has deteriorated significantly. The domestic industry has incurred losses before providing for interest and depreciation.
    ix. While the volume parameters of the domestic industry have shown growth, the profitability parameters have deteriorated. Further, even when volume parameters have shown growth, the domestic industry suffered from significant under utilisation of production capacities.
    x. As a result of the significant losses, the ability of the domestic industry to raise capital investment has been adversely impacted.
    xi. The imports are priced significantly below the cost of sales of the domestic industry, and are preventing the domestic industry from pricing its product in accordance with the cost. Thus, the imports are impacting the prices of the domestic industry.

j. The domestic industry has not suffered injury due to any other factor. Factors such as imports from other country, contraction in demand, patterns of consumption, conditions of competition, trade restrictive practices, developments in technology, decline in productivity, export performance of industry, performance of other products, injury due to other products, incompetitiveness of domestic industry, and Covid, Russia-Ukraine conflict and tensions related to Israel, and decline in demand worldwide have not caused injury to the domestic industry.

k. Imposition of anti-dumping duty shall be in the larger public interest as can be seen from the following:
    i. The imposition of duty shall prevent unfair advantages to foreign producers through dumping practices, and would provide a level playing field to Indian Industry in the market.

ii. While the domestic industry can meet about 86% of the demand in the Country, existence of demand-supply gap in the Country is not a justification for dumping the goods in the market. Further, the volume of imports significantly exceeds the demand-supply gap in the country.

iii. Imposition of duty would be crucial for encouraging investment in the product, since the product requires investment of ₹ 30-40 crores, for a new plant.

iv. The impact of duty, based on calculations submitted by the domestic industry and the users, is not significant.

v. Anti-dumping duty should be imposed on imports for all applications of the product. No case has been made out for exemption of imports for pharmaceuticals industry.

vi. There would be no adverse impact of the duty on exports of downstream products, as the product can continue to be imported without payment of anti-dumping duty, under advance license.

## M. RECOMMENDATIONS

133. 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 and causal link. Having initiated and conducted the investigation into dumping, injury and causal link in terms of the provisions laid down under the Anti-Dumping Rules, the Authority is of the view that imposition of anti-dumping duty is required to offset dumping and injury. Therefore, Authority considers it necessary and recommends imposition of anti-dumping duty on imports of subject goods from the subject country.

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

| S. no. | Heading | Description * | Country of Origin | Country of Export | Producer | Amount | Unit | Currency |
|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1 | 2907 15 20 and 2907 15 10 | Beta Naphthol or 2-Naphthol or β-Naphthol | China PR | Any country including China PR | Inner Mongolia Wuhai Yadong Fine Chemical Co., Ltd. | 245 | MT | USD |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2 | -do- | -do- | China PR | Any country including China PR | Jining Sunshine Chemical Co., Ltd. | 216 | MT | USD |
| 3 | -do- | -do- | China PR | Any country including China PR | Shandong Century Sunshine Technology Co., Ltd. | 216 | MT | USD |
| 4 | -do- | -do- | China PR | Any country including China PR | Any producer other than S. No. 1 to 3 | 421 | MT | USD |
| 5 | -do- | -do- | Any country other than China PR | China PR | Any | 421 | MT | USD |

Note - The application of the individual duty rates specified for the companies 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 (product concerned) sold for export to India covered by this invoice was manufactured by (company name and address) in the (name of country). 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 companies 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

135. An appeal against the determination of the Designated Authority in these final findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act/Rules.

**Amitabh Kumar**
**Designated Authority**