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**F. No. 6/44/2024-DGTR
Government of India
Ministry of Commerce & Industry
Directorate General of Trade Remedies
IV Jeevan Tara Building, 5 Parliament Street, New Delhi - 110 001**

Dated: 16th March, 2026

FINAL FINDINGS

(Case No. AD (OI) - 41/2024)

Subject: Anti-dumping investigation concerning imports of 4, 4 Diamino Stilbene 2, 2 Disulphonic Acid (DASDA) from China PR– *reg.*

F. No. 6/44/2024-DGTR – Having regard to the provisions of the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as “the Act”), and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as “the Rules”):

- a. The Designated Authority (hereinafter referred to as ‘Authority’) received an application filed on behalf of the domestic industry by Deepak Nitrite Limited (hereinafter referred to as the “applicant” or “domestic industry”) seeking initiation of an anti-dumping investigation concerning imports of “4,4 Diamino Stilbene 2, 2 Disulphonic Acid” or commonly known as DASDA (hereinafter referred to as “product under consideration” or “PUC” or “subject goods”), from China PR (hereinafter referred to as the “subject country”).
- b. The Authority, on the basis of sufficient prima facie evidence submitted by the domestic industry, issued a public notice vide Notification No. 6/44/2024-DGTR dated 27th December 2024, published in the Gazette of India – Extraordinary, initiating the subject investigation in accordance with the Section 9A of the Act read with Rule 5 of the Rules to determine the existence, degree and effect of the alleged dumping of the subject goods originating in or exported from the subject country 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

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

1.1. Initiation

- i. In accordance with Rule 5(5), the Authority notified the embassy of the subject country in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation.
- ii. Upon examination of the application, the Authority found prima facie evidence of dumping and consequent injury. Therefore, in accordance with Rules 5 and 6, vide Notification F. No. 6/44/2024-DGTR dated 27th December 2024, the Authority initiated the present investigation.
- iii. In accordance with Rule 6(2), the Authority informed interested parties of the initiation of the investigation by sharing a copy of the initiation notification with the embassy of the subject country in India, known producers and exporters of the product under consideration in the subject country, known importers of the product under consideration in India and other interested parties, as per the information made available in the application.

1.2. Circulation of non-confidential version of the application

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

1.3. Participation by Exporters of Subject Country

- i. The Authority sent an Exporter's Questionnaire to exporters in subject country to elicit relevant information in accordance with Rule 6(4) of the Rules.
- ii. The embassy of the subject country in India was requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time limit.
- iii. The following known producers and exporters have registered themselves as interested parties in these proceedings:

SN	Name of producers/exporters in the subject country
1	China Chem Company Limited
2	CIDIC Company Limited
3	Nanjing Kirin International Trade Company Limited
4	Tsaker Chemical (Cangzhou) Company Limited
5	Luoyang Hanyi Chemical Company Limited

- iv. In response to the initiation of the subject investigation notification, the following producers/exporters from the subject country have responded by filing a questionnaire response:

SN	Producers/exporters of the product under consideration in the subject country.
1	Tsaker Chemical (Singapore) Pte. Ltd.
2	Tsaker Huayu Chemical Company Limited

1.4. Participation by Importers/Users

- i. The Authority sent the importer's questionnaire to the following known importers/users of the subject goods in India, calling for necessary information in accordance with Rule 6(4) of the Rules:

SN	Users/importers of the product under consideration in India.
1	Khyati Chemicals Private Limited
2	Eskay Dyestuffs Organics Chemicals Private Limited
3	Meghmani Industries Limited
4	Archroma India Private Limited
5	Anjani Dyes and Intermediates Private Limited
6	Anil Organics
7	Paramount Minerals and Chemicals Limited
8	BASF India Limited
9	Daikaffil Chemical Limited

- ii. In response to the initiation of the subject investigation notification, only Khyati Chemicals Private Limited has responded.

1.5. Period of Investigation and Injury Period

- i. The period of investigation (POI) was considered as 1st April 2023 to 30th June 2024 (15 months). The injury period was set to cover the years 2020-21, 2021-22, 2022-23 and the period of investigation.

1.6. Further procedures

- i. A request was made to the Directorate General for Systems and Data Management (DG Systems) and DGCI&S for transaction-wise import data of the subject goods for the injury period. The authority has used both DG System and DGCI&S for analysis.
- ii. The Authority sent questionnaires to the government of the subject country through their embassy in India. The government of the subject country was requested to forward the Initiation Notification and the questionnaires to the producers of the

- subject goods in their country and advise them to respond to the questionnaire within the prescribed time limit
- iii. The Authority issued an Economic Interest Questionnaire (EIQ) to assess public interest and the impact of the duties on the wider economy. A copy of the EIQ was sent to the embassy of the subject country, all the known exporters, importers and users and the domestic industry. The EIQ was also sent to the administrative line ministry. However, the economic interest questionnaire was filed by the domestic industry and Khyati Chemicals Private Limited.
 - iv. 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
 - v. The interested parties were granted an opportunity to present their comments on the scope of the product under consideration and propose PCNs, if required, within 15 days of the circulation of the initiation notification. However, none of the interested parties filed comments in the present investigation. The Authority vide notice dated 30th January 2025 clarified that there was no PCN in the present investigation.
 - vi. In accordance with Rule 6(6), the Authority provided an opportunity to the interested parties to present their views orally in a hearing held on 8th May 2025. The parties presenting their views in the oral hearing were directed to share written submissions of the views expressed orally, followed by rejoinder submissions, if any.
 - vii. Due to the change of the Designated Authority, a fresh oral hearing was held on 8th July 2025, wherein all interested parties were provided the opportunity to present their views. Thereafter, a subsequent oral hearing was held on 10th December 2025 in view of the change of the Designated Authority. The parties who presented their views in the oral hearing were requested to file written submissions of the views expressed orally, followed by rejoinder submissions, if any.
 - viii. In accordance with Rule 6(8), wherever an interested party has refused access to or has otherwise not provided necessary information in a timely manner during the course of the present proceedings, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the disclosure on the basis of the facts available.
 - ix. In accordance with Rule 7, information provided by the interested parties on a confidential basis was examined by the Authority about the sufficiency of the confidentiality claimed. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on a confidential basis were directed to provide a non-confidential summary of the information filed on a confidential basis.
 - x. In accordance with Rule 8, the Authority conducted verification of the data provided by the domestic industry and other interested parties to the extent considered necessary for the present proceedings.
 - xi. The Authority calculated the non-injurious price (NIP) for the product under consideration to ascertain whether duties lower than the dumping margin would be

- sufficient to remedy the injury being suffered by the domestic industry. The NIP has been calculated based on the optimum cost of production and cost to produce & sell the domestic like article in India, based on the information furnished by the domestic industry and having regard to the Generally Accepted Accounting Principles (GAAP)
- xii. A disclosure statement containing the essential facts of the investigation which have formed the basis of the final findings was issued to the interested parties on 26th February, 2026 and the interested parties were allowed time up to 5th March, 2026 to file comment on the same. The comments to disclosure statement received from the interested parties have been considered, to the extent found relevant and nonrepetitive, in these final findings.
 - xiii. The Authority examined the issues raised, information provided, and submissions made by the interested parties during the course of the proceedings, to the extent they were supported by evidence and considered relevant to the present purposes, in making the final findings.
 - xiv. In this final finding, “***” represents information furnished by a party on a confidential basis and so considered by the Authority under the Rules
 - xv. The exchange rate adopted by the Authority for the subject investigation is 1 US\$= Rs. 83.82.

B. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

2. At the stage of initiation, the product under consideration was defined as under:

“3. The product under consideration in the present investigation is 4, 4 Diamino Stilbene 2, 2 Disulphonic Acid (DASDA). The product is also known as 2, 2' - (1, 2-Ethylenediyl) bis (5-aminobenzenesulfonic acid), 4, 4'-Diaminostilbene- 2, 2'-Disulfonic Acid and DSD Acid.

B.1 Submission made by the interested parties.

3. No submissions made by the other interested parties with regard to the scope of the product under consideration and like article.

B.2 Submission made by the domestic industry.

4. The domestic industry has made the following submissions with respect to the product under consideration and like article:
 - i. The product under consideration is 4,4-Diamino Stilbene-2,2-Disulphonic Acid (DASDA), a chemical primarily used in the production of optical brightening agents.
 - ii. DASDA is a light-yellow powder/cream, used in the synthesis of dye stuffs such as optical brightening agents, fluorescent brightening agents, etc.
 - iii. The product has only one grade; however, it may be supplied in different concentrations, such as 95%, 98%, or 100%, depending on consumer requirements.
 - iv. DASDA produced by the applicant and that is imported from the subject country are comparable and substitutable.

- v. DASDA is classified under Chapter 29 of the Customs Tariff, under the heading “Organic Chemicals.”
- vi. Before 2022, the product was imported under HS code 2921 59 90. The product has now been assigned dedicated classification - HS codes 2921 59 40 and 2921 59 90. Despite that, the product continues to be imported under other HS codes.
- vii. All relevant HS codes should be listed in the duty table. This is crucial because Customs Authorities rely solely on the Ministry of Finance’s notification, which is based on the duty table and not on the broader product description provided in the final findings.

B.3 Examination by the Authority

5. The scope of the product under consideration considered at the time of initiation was 4, 4 Diamino Stilbene 2, 2 Disulphonic Acid (DASDA). The product is also known as 2, 2’ - (1, 2-Ethylenediyl) bis (5-aminobenzenesulfonic acid), 4, 4’-Diaminostilbene- 2, 2’-Disulfonic Acid and DSD Acid.
6. The Authority provided an opportunity to all interested parties to submit their comments, if any, with respect to the scope of the product under consideration or the need for PCNs within 15 days from the circulation of the intimation of initiation of the investigation. None of the interested parties furnished any comments, either regarding the scope of the product under consideration or the requirement for PCNs. Accordingly, vide notice dated 30th January 2025, the Authority, for the purpose of filing of response, clarified that the scope of the product was same as defined in the initiation and that there was no requirement of PCN.
7. Subsequent to the notice, none of the interested parties filed comments on the scope of the product under consideration.
8. Therefore, the Authority confirms the scope of the product under consideration as below: -

The product under consideration is 4, 4 Diamino Stilbene 2, 2 Disulphonic Acid (DASDA), also known as 2, 2’ - (1, 2-Ethylenediyl) bis (5-aminobenzenesulfonic acid), 4, 4’-Diaminostilbene- 2, 2’-Disulfonic Acid and DSD Acid.
9. The product is a light-yellow colour powder/cream, which is used in synthesis of dye stuffs, like optical brightening agents, fluorescent brightening agents, etc.
10. The manufacturing process of the product under consideration is as below: -
 - i. Step 1 - Molten Para Nitro Toluene is reacted with Oleum to form Sulfonic Acid of PNT, which is separated by drowning in water.
 - ii. Step 2 – The above PNT Sulfonic Acid is neutralized to its Sodium Salt by using Soda Ash and then oxidized with oxygen in the presence of Alkali. The resultant mass is neutralized, and Di Nitro Stilbene Di Sulfonic Acid is separated by salting.

- iii. Step 3 – Di Nitro Stilbene Di Sulfonic Acid is reduced to Di Amino Stilbene Di Sulfonic Acid through the Bechamp reduction process using iron powder. The resultant mass is acidified with Dilute Acid, filtered and dried. The dried material is free-flowing creamish coloured dry powder, which is packed for dispatch.
11. The product under consideration is a chemical used mainly to make optical brightening agents. DASDA is classified under Chapter 29 of the Customs Tariff, under the heading “Organic Chemicals”. The product is being imported under sub-heading 2921. The product has a dedicated classification - HS code 2921 59 40.
 12. Based on the DGCI&S transaction-wise import data obtained by the Authority, it is seen that the product has been imported under the classification 2921 59 40 and 2921 42 90 as well. The Authority has considered the customs classification as indicative only and not binding on the scope of the subject investigation.
 13. The prescribed unit of measurement for the product under consideration is metric tons (MT), and the same has been adopted for this investigation.
 14. The product under consideration, produced by the domestic industry and imported from the subject country, is comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable, and consumers can use them interchangeably. The Authority holds that the goods produced by the domestic industry are like articles to the product under consideration imported from the subject country.

C. SCOPE OF DOMESTIC INDUSTRY AND STANDING

C.1 Submission made by the interested parties

15. The other interested parties have submitted as follows with regard to the scope of the domestic industry and standing:
 - i. Despite the presence of 4 other domestic producers, none have supported the claim of injury from Chinese imports, which shows that the alleged injury is not attributable to subject imports but rather to internal issues within the applicant.
 - ii. Meghmani Organics Ltd, Esskay Dyestuff & Industries Pvt Ltd./Oric Organic Chemicals, Pranav Chemical Industries and Rama Polycon Limited are the other producers, and the Authority is requested to seek information from these producers about capacities and production.
 - iii. Domestic Industry’s submissions show inconsistencies regarding the identification, support, and production data of domestic producers. At initiation, only 4 producers were identified, none of whom supported the application. Subsequent to the hearing, two additional producers were identified, and it was confirmed that they did not produce DASDA during the period of investigation.

- iv. The support from 5 producers is unreliable, as at least two were not producing during the period of investigation.
- v. The production data of other producers is based on assumptions and estimates, not verified figures, which fail to meet the standard required under the Rules.

C.2 Submission made by the domestic industry.

16. The domestic industry has submitted as follows with regard to the scope of the domestic industry and standing:
- i. The present application has been filed by Deepak Nitrite Limited.
 - ii. Pranav Chemicals India Private Limited, Panchamrut Chemicals Private Limited, Rama Polycon Limited, Rohan Dyechem and Industries Limited and Oric Organic Chemicals have supported the applicant during the course of the investigations.
 - iii. The Indian industry comprises both organised and MSME producers.
 - iv. The total production in India is [***] MT, out of which the applicant accounts for a major share of [***]%.
 v. Rama Polycon Limited and Rohan Dyechem and Industries Limited have provided their details on production and sales and have supported the imposition of measures.
 - vi. Panchamrut Chemicals and Oric Organic Chemicals have confirmed that the companies were not producing during the injury period.
 - vii. Pranav Chemicals India Private Limited has supported the application, but not provided information on production and domestic sales. The applicant has considered the capacity as per the information available and the production, considering the average capacity utilisation of the supporters.

C.3 Examination by the Authority

17. 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 constructed as referring to the rest of the producers.”

18. The present application has been filed by Deepak Nitrite Limited.
19. The other interested parties and the applicant have identified the following producers during the course of the investigation.
- i. Ashwarya Chemical
 - ii. Esskay Dyestuff & Industries Private Limited
 - iii. Meghmani Organics Limited

- iv. Oric Organic Chemicals
 - v. Panchamrut Chemicals Private Limited
 - vi. Pranav Chemicals India Private Limited
 - vii. Rama Polycon Limited
 - viii. Rohan Dyechem and Industries Limited
20. As per established practice, an intimation was sent to all known producers and exporters after initiation of the investigation inviting their views, whether they support or oppose the measures. During the first oral hearing, interested parties had made various submission stating that the other producers are not participating in the investigation. Subsequently, following the first oral hearing, a further communication was sent to these other producers seeking their comments. However, none of the identified producers has submitted any response to the Authority.
21. In the written submissions filed post the 1st oral hearing, the domestic industry provided a support letter (along with data) for Rama Polycon Limited and Rohan Dyechem and Industries Limited. The domestic industry also provided a support letter from Panchamrut Chemical Private Limited and Pranav Chemicals India Private Limited (without data). The domestic industry has also provided communication from Oric Organic Chemicals, which contains details of its production. The producer has neither supported nor opposed the duty. Based on the information on record, the Authority notes that Esskay Dyestuff & Industries Private Limited and Meghmani Organics Limited imported the product under consideration in substantial quantities during the period of investigation. It is also seen from the information on record that Oric Organic Chemicals, Panchamrut Chemicals and Rohan Dyechem and Industries Limited did not produce the domestic like product in the period of investigation.
22. The table below shows the production of the applicant, the supporters and the other Indian producers and their share in total Indian production.

SN	Production	UOM	2020-21	2021-22	2022-23	POI (A)
1	Applicant	MT	100	135	119	120
2	Supporter	MT	100	90	76	82
3	Other producers	MT	100	90	56	60
4	Total	MT	7,847	9,515	7,977	8,134
5	Share of applicant	%	***	***	***	***
	Trend	Indexed	100	111	117	116
6	Share of supporter	%	***	***	***	***
	Trend	Indexed	100	75	74	79
7	Share of other producers	%	***	***	***	***
	Trend	Indexed	100	75	55	58

23. It is seen that the applicant has more than 75% share in the total Indian production.

24. The applicant certified that it is not related to any importer in India or producers/exporters of the product under consideration in the subject country and has not imported the product under consideration from the subject country during the period of investigation. The Authority has examined the DG System transaction-wise data, and it is seen that the applicant has not imported the product under consideration.
25. The Authority holds that the applicant constitutes a domestic industry under Rule 2(b) of the Rules, and the application satisfied the criteria of standing in terms of Rule 5(3) of the Rules.

D. CONFIDENTIALITY AND MISCELLANEOUS ISSUES.

D.1 Submissions made by the interested parties.

26. The other interested parties have submitted as follows with regard to confidentiality and miscellaneous submissions:
 - i. The applicant is a habitual user of trade remedy investigations. In the previous sunset review, no duty was recommended as the performance of the applicant had improved.
 - ii. The applicant has claimed excessive confidentiality on the consolidated production and sales by other producers, demand in India and data on its capacity expansion.
 - iii. The Authority has adopted a 15-month period of investigation in violation of Rule 5(3A)(ii) of the ADD Rules. The initiation notification contains no reason or justification for deviation from the standard 12-month period of investigation.
 - iv. Rule 5 imposes a binding statutory obligation on the Authority to record reasons in writing for considering a 15-month period of investigation. Reliance is placed on *Union of India v. Anand Mohan Sharan & Anr.*, wherein the Court held that when a statute requires “reasons to be recorded in writing,” such reasons must be meaningful, self-explanatory, and demonstrate proper application of mind.
 - v. The reasons provided by the applicant for adopting a 15-month period of investigation are legally and factually unsubstantiated. The contention that a non-financial year poses costing difficulties does not constitute a valid legal ground.
 - vi. The applicant and DGTR failed to disclose import data to the interested parties, in violation of the CESTAT ruling in *Exotic Décor Pvt. Ltd. v. DA*, which mandates disclosure of transaction-wise import data in Excel format.

D.2 Submissions made by the domestic industry.

27. The domestic industry has submitted as follows with regard to confidentiality and miscellaneous submission:
 - i. The adoption of a 15-month period of investigation has not caused any prejudice to the interested parties, as there has been no significant change in import price, cost of production, dumping margin, or injury margin.
 - ii. The period of investigation was determined by the Authority only after proper scrutiny during the pre-initiation stage.
 - iii. The domestic industry is not a habitual user of trade remedies. On the contrary, the Chinese producer has a history of dumping. Anti-dumping duties were imposed for a

period of five years and not extended beyond 2018, only because the applicant's performance had improved.

- iv. The domestic industry commenced production in 2006, and in nearly two decades, anti-dumping duties were imposed only once. This clearly demonstrates that the domestic industry is not a habitual user of trade remedies.

D.3 Examination by the Authority.

28. With regard to confidentiality of information, Rule 7 of the Anti-dumping Rules provides as follows:

“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7)) of rule 6, sub-rule(2) of rule 12,sub-rule(4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sab-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 summarization 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.”

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

parties have claimed a document as confidential, it is noted that these interested parties have claimed that these documents are not susceptible to summary and have given reasons why summarisation is not possible.

30. The Authority has consistently allowed interested parties to claim confidentiality in such information and documents provided by domestic industries, foreign producers and other interested parties in all investigations. The Authority notes that all the interested parties have claimed their business-related sensitive information as confidential. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered confidential and not disclosed to the other interested parties.
31. Interested parties have claimed that the domestic industry is a habitual user of trade remedies. The Authority notes that anti-dumping duty in the past has been imposed only in one investigation related to the product under consideration, and only after the Authority found that the product had been exported at dumped prices and the same had caused injury to the domestic industry. The Authority even undertook a mid-term review investigation. While holding that there was insufficient evidence that injury to the domestic industry was not likely to continue or recur, if the anti-dumping duty is removed, the Authority modified the quantum of anti-dumping duty on the basis of facts established. The anti-dumping duty earlier imposed ceased in 2019, and thereafter there was no anti-dumping duty on DASDA. Therefore, the contention that the domestic industry is a habitual user of trade remedy investigations cannot be accepted. The recommendations for the imposition of anti-dumping duty are made only after it is found that the product has been imported at dumped prices, which have caused material injury to the domestic industry. The domestic industry has been in production for 2 decades, and the Authority notes that anti-dumping duties were imposed only once.
32. Interested parties have claimed that the adoption of a fifteen-month period of investigation is not appropriate. The Authority notes that, in accordance with the provisions of the anti-dumping rules, the Authority considers a period of twelve months as the standard period of investigation. The Rules empower the Authority, for reasons to be recorded in writing, to adopt a period of investigation of not less than six months and not exceeding eighteen months, as may be warranted by the facts and circumstances of the case.
33. It is noted that, in several previous investigations, the Authority has adopted a period of investigation either shorter or longer than twelve months, depending upon the facts in each case. In the present matter, the domestic industry had submitted that adoption of a twelve-month period from July 2024 to June 2025 would have resulted in substantial practical difficulties in the preparation and verification of costing data. The domestic industry had also submitted that the import volume and prices during a fifteen-month period were comparable to those that would have prevailed in a twelve-month period, thereby ensuring that the impact of imports was not flawed.

34. The Authority notes that the interested parties have neither disputed the factual correctness of the reasons furnished by the domestic industry nor provided reasons why considering 15 months as a period of investigation is inappropriate. The Authority found that the selected period facilitated ease of data preparation and verification without causing any distortion or skewness in the analysis, given the comparable volume and value of imports during the relevant period. The Authority has compared the volume and price of imports as per DGCI&S transaction-wise data for the 12-month and 15 months period, which is produced below.

SN	Period	Import qty in MT*	Import value in Rs Lakhs*	CIF / Price (Rs/MT)*
1	July 23 to June 24	1,215	2,987	2,45,940
2	Apr 23 to June 24 (Annualised)	1,093	2,756	2,52,123

**The figures above are in decimal and have been rounded off.*

35. The Authority notes that even if a 12-month period (July 2024 to June 2025) were to be considered in place of the selected period of investigation, there would be no material change in the underlying facts of the case. The volume of imports and the price are very comparable. The interested parties have claimed that instead of changes in prices, the Authority should examine variations in the cost of production as the determining basis for selecting a period other than a standard 12-month period. In response, the domestic industry has furnished data demonstrating that there has been no significant variation in the cost of production during the relevant period.

SN	Period	Sales qty in MT	Cost of sales (Rs Lakhs)	Cost Rs/MT
1	July 23 to June 24	***	***	***
2	Apr 23 to June 24 (Annualised)	***	***	***

36. The information on record shows that the cost has remained almost stable. This clearly establishes that the cost-price has remained consistent, and therefore, there is no material difference in the factual position. The data is not skewed because of the selection of the investigation period.
37. The Authority also holds that consideration of the accounting year as part of the investigation period is desirable, particularly in those situations where its consideration would otherwise not skew the data. It is also noted that consideration of a fifteen-month period of investigation has not caused any prejudice or adverse impact on the outcome of the investigation or on bona fide interests of any set of interested parties. Accordingly, the Authority holds that the adoption of fifteen-month period of investigation is appropriate in the present case.

38. As regards disclosure of transaction-wise data by the applicant or DGTR, the Authority notes that the relevant information prescribed for the applicant is volume and value of imports and the source of the information. The information relevant to the Authority under the rules is the volume and price of imports. The transaction-wise data only constitutes information in the nature of supporting information relevant to the adequacy and accuracy of claims made by the applicant. Similarly, the information collected from the DGCI&S is only for the purpose of quantifying volume and value of imports, and the same has been appropriately disclosed in the present final findings. The interested parties have had enough opportunity to defend their interests on the information relevant to the investigation and determination.

E. NORMAL VALUE, EXPORT PRICE AND DETERMINATION OF DUMPING MARGIN

E.1 Submission made by the other interested parties.

39. No comments have been made by the other interested parties with regards to normal value or export price.

E.2 Submission made by the domestic industry.

40. The domestic industry has made the following submissions with regard to normal value, export price and dumping margin:
- i. The Authority should not determine the normal value for the responding producers on the basis of their own data, as they have failed to submit the MET questionnaire.
 - ii. In the absence of MET questionnaire, the producers cannot be granted MET status, and their data cannot be relied upon for normal value determination.
 - iii. The normal value must be determined as per Para 7 of Annexure I of the ADD rules.

E.3 Examination by the Authority

41. The response to the exporters questionnaire has been filed by the following producers/exporters from the subject country
- i. Tsaker Huayu Chemical Company Ltd.
 - ii. Tsaker Chemical (Singapore) Pte. Ltd.

i. Determination of normal value.

42. Article 15 of China's Accession Protocol in 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:

(a) In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices

or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China based on the following rules:

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

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

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

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

(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provision of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."

43. The domestic industry has relied upon Article 15(a)(i) of China's Accession Protocol as well as para 7 of the Annexure I. The domestic industry has claimed that producers in China PR must be asked to demonstrate that market economy conditions prevail in their industry, producing a like product with regard to the manufacture, production and sale of the product under consideration. 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.

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

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

46. The Authority notes that neither the domestic industry nor the interested parties have provided any information with regard to domestic price or constructed value in a market economy third country. It has been claimed that the product is produced only in China and India. Therefore, the Authority could not determine a normal value based on price from such a third country to another country, including India.
47. The Authority proposes to determine the normal value for China PR based on the price paid or payable in India for the like article. The normal value has been determined considering the cost of production in India after addition of the selling, general & administrative expenses, and the reasonable profits.

ii. Determination of export price.

- a. Tsaker Huayu Chemical Company Ltd (producer), and its related trader Tsaker Chemical (Singapore) Pte. Ltd.
48. Tsaker Huayu Chemical Company Limited., has sold *** MT of subject goods of invoice value *** US\$ to India indirectly through a related exporter/trader namely Tsaker Chemical (Singapore) Pte. Ltd. The quantity and value of imports reported by the producer have been reconciled with the DGCI&S Transaction-wise data. The producer/exporter has claimed adjustments on accounts of ocean freight, inland transportation, port and other related expenses and insurance to arrive at export price at ex-factory level.
49. The Authority conducted a desk verification of the information provided by the producer. Additional/supplementary information was sought to the extent deemed necessary. The net export price so determined is shown in the table below.
- b. Export prices for all non-cooperative producers/exporters.
50. The export price for other non-cooperative producers/exporters from China has been determined based on facts available in terms of Rule 6(8) of the Rules. The Authority has considered the data of the participating producer from China and export price has been determined on the basis of facts available.

iii. Dumping margin.

51. The normal value, export price and dumping margin determined in the present investigation are as follows:

SN	Particular	Normal value	Net export price	Dumping Margin		
		\$/MT	\$/MT	\$/MT	%	Range
1	Tsaker Huayu Chemical Company Ltd.	***	***	***	***	20-30
2	Any other producer	***	***	***	***	30-40

F. EXAMINATION OF INJURY AND CAUSAL LINK**F. 1 Submission made by the other interested parties**

52. The other interested parties have made the following submissions with regard to injury and causal link:
- i. The applicant has misrepresented its production capacity and actual production figures before the Authority. As per the Consent Order issued by the Andhra Pradesh Pollution Control Board, the manufacture of DASDA was capped at 2,550 MT per annum until 31st July 2021, with no approved expansions during this period.

- ii. In 2018, the applicant applied for environmental clearance to expand DASDA capacity from 2,520 MT to 5,040 MT, thereby showing that the permitted capacity at that time remained at 2,520 MT. An independent report by Doulat Analysis dated 8th November 2021 states that the installed capacity of DASDA at the applicant's plant is 5,040 MT.
- iii. Despite an increase in overall demand, imports from the subject country declined in the period of investigation as compared to the base year.
- iv. The applicant and other domestic producers have benefited from the increase in demand. Export sales by Tsaker remain significantly lower than the applicant's production and sales.
- v. In 2022-23, there was an abnormal spike in raw material costs, particularly PNT prices, which later declined drastically by around 74%. Similar declines were recorded in other raw materials, resulting in an overall cost reduction of nearly 38%. The applicant has reported only a marginal fall in its cost of sales.
- vi. The recent price dip during the period of investigation is a market correction, and past abnormal prices shouldn't be used as a fair comparison base.
- vii. The applicant's costs are high due to high domestic transportation expenses.
- viii. The applicant has also increased its internal consumption of DASDA by 57% and export sales have declined primarily due to diversion towards internal consumption.
- ix. The decline in sales is due to the shift in demand of downstream industries from DASDA to DNSDA.
- x. Imports of DASDA from China PR, which historically ranged between 2,000-5,000 MT, have naturally declined to around 1,200-1,500 MT in recent years.
- xi. The high import volumes in earlier years were driven by significant domestic shortages and cannot be attributed to dumping. At present, import levels are minimal and do not justify the imposition of measures, particularly when landed import prices are higher than domestic selling prices.
- xii. The applicant's own key volume indicators such as capacity, production, sales, and employment, have all improved during the period of investigation.
- xiii. Inventory levels have reduced, and the applicant continues to maintain 88% market share.
- xiv. The injury suffered is due to outdated technology and a lack of R&D, hindering productivity and innovation, making domestic products less competitive.
- xv. The injury suffered is due to reliance on low-quality or imported materials increases costs and reduces competitiveness, and remote factory locations increase transport and production costs, while distance from key markets or ports limits access and increases shipping expenses, reducing global competitiveness.
- xvi. As per DGCI&S data, India imported 1,437 tons of DASDA at USD 3.041/kg (CIF) and exported 1,442 tons at USD 2.98/kg (FOB). This raises doubts about how higher-priced imports could harm domestic producers who kept domestic prices high while exporting at lower rates, forcing OBA (Optical Brightening Agent) manufacturers to import.
- xvii. The number of employees of the domestic industry increased over the period. Any layoffs appear to have occurred post-POI, which is irrelevant in an anti-dumping investigation.

- xviii. From January 2022 to June 2024, data from third-party sources show that Tsaker's export prices to India were broadly in line with, and often higher than, the export prices of the domestic industry
- xix. On the submission of capacity expansion by Tsaker, the capacity expansion of 20,000 MT of Tsaker was never implemented. Tasker has implemented in new project for lithium battery electrode materials (50,000 tons/year).
- xx. It is a well-established principle under WTO law and DGTR practice that mere surplus capacity with subject producers does not constitute evidence of dumping or threat thereof.
- xxi. The domestic industry has not provided any evidence to substantiate on suspension of production and layoffs.
- xxii. It is well-settled DGTR practice to apply a 22% ROCE for the determination of the NIP, irrespective of the age or depreciation status of the plant.

F.2 Submission made by the domestic industry.

53. The domestic industry has made the following submissions with regard to injury and causal link:
- i. The applicant is the second largest producer in the world, after China's Tsaker Group, which has a total installed capacity of 55,000 MT, far more than the demand in China, which is expected to be in the range of 30,000 to 33,000 MT.
 - ii. Capacity with Tsaker is twice the demand in China and 8 to 9 times higher than the Indian demand.
 - iii. The US Government has imposed a 25% additional duty on Chinese imports, which has affected Tsaker exports to the USA. As a result, Tasker is currently operating with significant idle capacity.
 - iv. The period 2020-21 was impacted by Covid-19, and the increase in demand in 2021-22 was due to uncertainties in the market. The demand for the product increased in the period of investigation compared to both the previous year and the base year.
 - v. Until 2021-22, there was a demand-supply gap, but in the recent period, there have been capacity expansions by other producers and the applicant.
 - vi. The volume of imports from the subject country increased in 2021-22 and then declined in 2022-23. Imports from the subject country surged by over 200% in the period of investigation compared to the previous year.
 - vii. The subject imports increased in 2021-22 due to stockpiling of inventories by importers, out of uncertainties in the market on account of the Covid-19 lockdowns. As a result, imports from the subject country increased sharply by 74% during that year.
 - viii. The imports have increased in relation to Indian production and Indian demand.
 - ix. There has been a sharp decline in the import price. The import price of the product was 9,208 \$/MT in January 2022 but steeply declined to 3,186 \$/MT by the end of the period of investigation. The price has further declined by 20% in the post-period of investigation.
 - x. The global price of Toluene has declined by only 12%, but the import price has declined by 65%.

- xi. Although the price of raw materials declined by 23% in the period of investigation compared to the previous year, the import price fell by 65% during the same period. The decline in import prices is not proportional to the decline in raw material prices.
- xii. The applicant has already suspended one production line and laid off 150 workers in the post-period of investigation. If the same situation continues, the applicant may be forced to a complete shutdown, leaving Tsaker Group as the dominant player in the Indian market.
- xiii. Prior to the period of investigation, the landed price was above the applicant's selling price. However, in the period of investigation, the landed price declined and fell below the applicant's selling price.
- xiv. During the period of investigation, the cost of sales declined by Rs. [***] per MT, but the selling price declined by Rs. [***] per MT. Thus, imports are significantly depressing prices.
- xv. These dumped imports have undercut and depressed the applicant's prices, leading to losses and showing that the subject imports have adversely impacted the domestic industry.
- xvi. The applicant's capacity remained constant until 2022-23. However, in view of growing demand, the applicant increased its capacity during the period of investigation. The capacity increased in March by [***] MT per month.
- xvii. The documents cited by the interested party relate to capacity from a period prior to the injury period and are therefore not relevant. The capacity expansion by the applicant happened only during the period of investigation, which has not been contested by any party. While the other interested party has demanded full disclosure of documents of the applicant, it did not disclose its own production capacity during the hearing.
- xviii. The applicant's production increased in 2021-22 but declined in the subsequent period. Despite the increase in capacity during the period of investigation, the applicant's production and capacity utilisation declined.
- xix. Domestic sales declined in 2021-22 and increased in the subsequent period. With the increase in subject imports, the applicant's domestic sales declined in the period of investigation.
- xx. The production suspension was a strategic decision aimed at reducing surplus inventory caused by declining prices and increased import pressure. Inventory with the applicant declined in 2021-22, increased in 2022-23, and declined in the period of investigation.
- xxi. Market share of the imports increased in 2021-22, declined in 2022-23 but increased again in the period of investigation. The market share of the applicant has declined.
- xxii. The profits of the applicant increased in 2021-22 but declined in 2022-23. With the sharp increase in imports and decline in import prices, the applicant's profits turned into losses in the period of investigation.
- xxiii. The cash profit and profit before interest increased in 2021-22, declined in 2022-23 and turned negative in the period of investigation. The return on the investment is negative.

- xxiv. The applicant recorded negative growth in terms of volume and price parameters in the period of investigation.
- xxv. Considering a 22% return on capital employed for NIP is not appropriate as the plants are depreciated. The depreciation cost is itself very low.
- xxvi. On the submission that injury is due to high transportation cost, the cost of transportation is only [***] of the total input cost and transportation cost cannot be a cause of injury.
- xxvii. On the submission that the export price of the applicant is comparable to the import price, Indian producers not only compete with the Chinese imports in the Indian market but also in the export market. The Chinese producers, faced with surplus capacities and non-market economy conditions, are able to export the product at dumped prices.

F.3 Examination by the Authority

- 54. Rule 11 of the Rules read with its Annexure-11 thereto 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 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 to the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry, such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Rules.
- 55. The Authority has taken note of the various submissions made by the interested parties, including the domestic industry, and has analyzed them considering the facts available on record and the applicable laws. The injury analysis made by the Authority hereunder *ipso facto* addresses the various submissions made by the interested parties.
- 56. The Authority has examined the submissions made by the interested party regarding the alleged misrepresentation of the production capacity by the domestic industry. The interested parties have relied upon certain documents, such as the APPCB consent order and an independent report by Doulat Analysis, to contend that the permitted capacity of DASDA was 2,520–2,550 MT per annum and that no expansion was approved during the relevant period.
- 57. The domestic industry has submitted documentary evidence in support of its claimed capacity. The environmental clearance granted by the Ministry of Environment, Forest and Climate Change in September 2019 for expansion up to 10,080 MT, and the subsequent

Pollution Control Board consent for expansion was received in February 2022 (5040 MT each for Unit I and Unit III), permitting expansion subject to conditions. The Authority notes that the installed capacity of the plant was increased to 840 MT from March 2024, thereby reflecting the enhanced cumulative capacity of 10,080 MT after the installation of a new boiler and other auxiliary equipment, which is also certified by the DI. Therefore, the Authority has considered the capacity as per the management certificate /Pollution control board certificate. The allegation of misrepresentation or inconsistency in production capacity is therefore not substantiated and is rejected.

58. As regards comments that factors such as shortage of skilled labour, outdated technology, change in market demand, exchange rate etc. have caused injury to the domestic industry, the Authority notes that the other interested parties have not produced any evidence to substantiate their claims. As noted by the WTO Panel in its Report relating to China – X-Ray Equipment (DS425), where an interested party identifies a factor other than dumped imports causing injury but does not provide evidence showing how this factor is causing injury to the domestic industry, the investigating authority is not required to make a determination with regard to that factor. In the present case, the interested parties have made mere generic statements. Since the Rupee depreciated over the injury period as compared to US\$ and the domestic industry's operations and costs were not so directly linked to US\$ shows that the change in exchange rate would have at least resulted in higher import price and better prices for the domestic industry.
59. The Authority has examined the submissions made by the interested parties on the higher cost of production on account of internal inefficiencies, particularly due to higher transportation costs for PNT. In this regard, the DI has certified that PNT is the primary Raw material for the production of DASDA. Deepak Nitrite Limited (DNL) utilizes PNT captively for manufacturing DASDA and produces PNT at its Nandesari Plant. The transfer price is determined in the books of accounts by the management on a monthly basis, considering factors like the market rate of PNT from the previous month, the expected market price in the present month, etc. In the absence of captive consumption, the domestic industry would have also incurred inland freight expenses while procuring PNT through imports or domestic purchases. Thus, the cost element in question is inherent to the production process and cannot be considered a cause of injury.
60. The domestic industry has submitted that due to the presence of dumped imports in the market, it was forced to suspend production on one of its production lines for a substantial period of [***] days during the period of investigation, and the production has been further suspended in the post period of investigation. During the on-site plant verification, the Authority examined this claim in detail. It was seen that the domestic industry produces the like article in more than production units and out of these units, Unit-3 has been completely shut down. It was also seen that the entire workforce associated with this unit had been laid off. In support of this, the domestic industry has furnished before the Authority sufficient documentary evidence showing that it was forced to lay off employees. The Authority have

examined the documents provided and notes that there is a direct consequence of the adverse market conditions created by dumped imports.

61. It has been stated by the domestic industry that the performance in the period 2020-21 and 2021-22 was impacted by Covid 19 and therefore, the domestic industry has requested that the comparison of injury performance in the period of investigation to be made with 2022-2023. The COVID conditions prevailed during the years 2020-21 and 2021-22. The Authority notes that the purpose of determining the injury period for injury assessment is to consider the performance of the domestic industry for the entire period of four years. Therefore, as per the consistent practice, the Authority has compared the performance of the domestic industry from the base year. However, performance in the intervening period has been given due weightage in injury analysis.
62. The other interested parties have claimed that the import price into India is comparable with the export price of the product under consideration from India, and when the domestic industry has exported at that price, it cannot claim injury due to imports at the same price. The domestic industry has, however, claimed that the product being produced only in China and India, it competes with the producers in China in other markets as well and therefore, is suffering injury in the other market as well. It is also claimed by the domestic industry that from their available records the exports are also at a loss. The Authority notes that it is required to examine injury to the domestic industry in the domestic market. Therefore, performance in the export market is not relevant. The Authority also notes that the domestic industry is competing with the Chinese producers in the global market.
63. The other interested parties have claimed that the demand from downstream industries may have changed due to the shift of DASDA to DNSDA. The domestic industry has, however, claimed that OBA producers cannot use DNSDA as a raw material and DNSDA has to be processed into DASDA, which is then used to make OBA. The Authority notes that the demand and import volume for the product under consideration show an increase. Had there been a shift in demand from DASDA to DNSDA, the equal impact would have been seen in demand and imports as well. Therefore, the contention that there is a switch in demand does not hold true.

F.4.1 Assessment of demand/apparent consumption

64. The Authority has determined demand/apparent consumption of the product in India as the sum of the domestic sales of the domestic industry, sales as per support letters provided by other producers, estimated sales of other producers and imports from all sources.

SN	Particulars	UOM	2020-21	2021-22	2022-23	POI A
1	Sales of the applicant	MT	***	***	***	***
	Trend	Indexed	100	91	130	117
2	Sales of supporter	MT	***	***	***	***
	Trend	Indexed	100	84	70	96

3	Sales of other Indian producers	MT	***	***	***	***
	Trend	Indexed	100	84	52	71
4	Imports from China PR	MT	1,547	2,676	366	1,093
5	Total demand excluding captive	MT	***	***	***	***
	Trend	Indexed	100	113	75	91
6	Captive consumption	MT	***	***	***	***
	Trend	Indexed	100	137	142	155
7	Total demand including captive	MT	***	***	***	***
	Trend	Indexed	100	119	93	108

65. It can be seen that the demand for the product increased in 2021-22 but declined in 2022-23. The demand for the product increased during the period of investigation. The demand for the product (including captive) has increased in the period of investigation as compared to the base year as well as previous year.
66. It has been stated that the period 2020-21 was impacted by Covid and the sudden increase in demand in 2021-22 was due to uncertainty created in the market. The demand normalized in the subsequent period and increased in the period of investigation.

F.4.2 Volume effect of dumped imports on the domestic industry

67. With regard to the volume of dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of the injury analysis, the Authority has relied on the DGSI&S import data. The information on imports is as below:

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI A
1	Imports from China PR	MT	1,547	2,676	366	1,093
2	Subject imports in relation to					
3	Indian production	%	***	***	***	***
	Trend	Indexed	100	143	23	68
4	Indian demand	%	***	***	***	***
	Trend	Indexed	100	154	32	78

68. It is seen that the volume of imports from the subject country increased in 2021-22, declined significantly in 2022-23 and increased again in the period of investigation. Imports from the subject country have increased by more than 200% in the period of investigation as compared to the previous year. The imports of subject goods declined during the injury period.

69. It has been stated that the increase in imports in 2021-22 was due to stockpiling because of uncertainties in the market arising from the Covid-19 lockdown. As the imports increased, the demand also increased and declined in the subsequent period.
70. The imports in relation to production and consumption increased in 2021-22, declined in 2022-23 and then increased again in the period of investigation.
71. When compared to the base year, the imports from the subject country have declined in the period of investigation, but when compared to the immediately preceding year, the imports have increased in absolute terms as well as in relation to production and consumption.
72. Globally, apart from India, China is the only country where the product is being produced, and the imports from China PR accounted for 100% of total imports during the injury period.

F.4.3 Price effect of dumped imports on the domestic industry

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

a. Evolution of price

74. The Authority has examined the raw material cost and import price over the injury period.

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI
1	Total raw material cost	Rs/MT	***	***	***	***
	Trend	Index	100	126	153	129
2	Import price from China PR	Rs/MT	3,12,049	4,02,588	4,02,030	2,52,123
	Trend	Index	100	129	129	81

75. It is noted that both the raw material cost and import price increased in 2021-22. The raw material cost and import price further increased in the year 2022-23. The cost and import price have declined in the period of investigation. However, the decline in the import price was significantly higher than the raw material cost. When seen over the injury period, the raw material cost has increased, but the import price has declined. It is seen that the import price has not moved in line with the raw material cost. It is also seen that with a decline in the import price in the period of investigation, the import volumes have shot up.

b. Price undercutting

76. For the purpose of price undercutting analysis, the net sales realisation of the domestic industry has been compared with the landed value of imports from the subject country. Accordingly, the undercutting effects of dumped imports from the subject country work out as follows.

SN	Particulars	Unit	POI
1	Landed price	Rs/MT	2,72,922
2	Selling price	Rs/MT	***
3	Price undercutting	Rs/MT	***
4	Price undercutting	%	***
5	Price undercutting	Range	0-10

77. It is seen that the price undercutting is marginally positive in the period of investigation. The Authority notes that the landed price of imports is below the selling price of the domestic industry despite the domestic industry selling the product at a loss.

c. Price suppression/depression

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

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI
1	Cost of sales	Rs/MT	***	***	***	***
	Trend	Index	100	124	154	131
2	Selling price	Rs/MT	***	***	***	***
	Trend	Index	100	145	145	100
3	Landed price	Rs/MT	3,37,793	4,35,802	4,35,197	2,72,922
	Trend	Index	100	129	129	81

79. It is seen that:

- a. The cost of sales and the selling price of the domestic industry increased in 2021-22. In the year 2022-23, the cost of sales increased by 30 index points, but the selling price remained almost the same. While the selling price did not increase in proportion to the increase in the cost of sales, it continued to remain higher than the cost of sales and the domestic industry was able to earn a reasonable profit.
- b. In the period of investigation, both cost of sales and the selling price of the domestic industry declined. While the cost of sales declined by 23 index points, the selling price declined by 45 index points. The selling price has declined at a higher rate as compared to the decline in the cost of sales.
- c. Till 2022-23, the landed price of imports was above the cost of sales and selling price of the domestic industry. The landed price of imports in the period of investigation was below the cost of sales and selling price of the domestic industry.

- d. When seen over the injury period, the cost of sales increased by 31 index points, the selling price remained the same and landed price has declined by 18 index points.
80. It is noted that the domestic industry was unable to align its selling price with the changes in the cost of sales. The dumped imports have depressed the prices of the domestic industry.

F.4.4 Economic parameters of the domestic industry.

81. Annexure II to the Anti-Dumping Rules provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all the relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in the sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of the dumping; actual and potential negative effects on the cash flow, inventories, employment, wages, growth and the ability to raise the capital investments. The various injury parameters relating to the domestic industry are discussed below. The Authority has examined the injury parameters objectively taking into account various facts and arguments made by the interested parties in their submissions:

a. **Capacity, production, capacity utilization and domestic sale.**

82. The Authority has considered capacity, production, capacity utilization and domestic sales of the domestic industry over the injury period.

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI A
1	Capacity	MT	***	***	***	***
	Trend	Index	100	100	100	111
2	Production	MT	***	***	***	***
	Trend	Index	100	135	119	120
3	Capacity utilisation	%	***	***	***	***
	Trend	Index	100	135	119	108
4	Domestic sales	MT	***	***	***	***
	Trend	Index	100	91	130	117
5	Exports	MT	***	***	***	***
	Trend	Index	100	117	57	59
6	Captive sales	MT	***	***	***	***
	Trend	Index	100	137	142	155

83. It is noted from the table above that:
- a. The capacity with the domestic industry remained constant till 2022-23 and increased in the period of investigation. The domestic industry expanded its capacity in March 2024 by [***] per month.
- b. The production of the domestic industry increased in 2021-22 but declined in 2022-23 and further declined in the period of investigation. The production of the domestic industry has increased over the injury period.

- c. The capacity utilization of the domestic industry increased in 2021-22 but declined in 2022-23 and further declined in the period of investigation.
- d. The domestic sales of the domestic industry declined in 2021-22, increased in 2022-23. However, as the subject imports increased in the period of investigation, the domestic sales of the domestic industry declined again in the period of investigation.
- e. The export sales of the domestic industry have declined over the injury period.
- f. The captive sales of the domestic industry have increased over the injury period.
- g. The domestic industry was forced to suspend production on one of its production lines for [***] days in the period of investigation leading to a loss of production of around *** MT.
- h. The domestic industry has also claimed that the significant dumping of the product has led to the shutdown of one of the production lines in the post period of investigation. The domestic industry has provided evidence in support of the plant shutdown.

b. Market share.

84. The information on market share of the domestic industry, other Indian producers and the subject country is as under.

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI
1	Domestic industry	%	***	***	***	***
	Trend	Index	100	81	174	129
2	Supporters	%	***	***	***	***
	Trend	Index	100	75	93	105
3	Other Indian producers	%	***	***	***	***
	Trend	Index	100	75	69	78
4	Imports from China	%	***	***	***	***
	Trend	Index	100	154	32	78

85. It is seen that the market share of the domestic industry declined in 2021-22, increased in 2022-23, and declined in the period of investigation. The market share of the supporters has remained constant over the injury period. The market share of other Indian producers has declined over the injury period.

86. The market share of China increased in 2021-22, declined in 2022-23 and then increased again in the period of investigation.

c. Inventories.

87. The inventory position with the domestic industry over the injury period is given in the table below:

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI A
1	Opening stock	MT	***	***	***	***
	Trend	Index	100	31	80	65

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI A
2	Closing stock	MT	***	***	***	***
	Trend	Index	100	254	208	129
3	Average inventory	MT	***	***	***	***
	Trend	Index	100	85	110	81

88. It is seen that the closing inventory with the domestic industry increased in 2021-22, declined in 2022-23 and further declined in the period of investigation. The domestic industry has submitted that it has partly suspended production towards the end of the period of investigation and as a result, the inventory has declined.

d. Profitability, cash profits and return on investment.

89. The performance of the domestic industry has been examined in respect of profitability, profits, cash profits, PBIT, and return on investment.

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI
1	Profit/(Loss) per unit	Rs/MT	***	***	***	***
	Trend	Index	100	260	92	-79
2	Profit/(Loss)	Rs. Lacs	***	***	***	***
	Trend	Index	100	237	119	-92
3	Cash profit per unit	Rs/MT	***	***	***	***
	Trend	Index	100	245	96	-53
4	Cash profit	Rs. Lacs	***	***	***	***
	Trend	Index	100	223	126	-62
5	PBIT per unit	Rs/MT	***	***	***	***
	Trend	Index	100	257	90	-78
6	PBIT	Rs. Lacs	***	***	***	***
	Trend	Index	100	234	118	-91
7	ROCE	%	***	***	***	***
	Trend	Index	100	194	74	-50

90. It is seen that:

- a. The profits of the domestic industry increased in 2021-22 and declined in 2022-23. With a sharp decline in the import price, the profits of the domestic industry have declined in the period of investigation and turned into severe financial losses.
- b. The cash profit and profit before interest have also followed a similar trend as profit. Cash profit and profit before interest increased in 2021-22 and declined in 2022-23. The cash profit and profit before interest have turned negative during the period of investigation.
- c. The domestic industry has recorded financial losses, cash losses and negative return on investment in the period of investigation.

e. Employment, wages and productivity

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

SN	Particulars	Unit	2020-21	2021-22	2022-23	POI A
1	No. of employee	Nos	***	***	***	***
	Trend	Index	100	103	118	136
2	Salaries & wages	Rs. Lacs	***	***	***	***
	Trend	Index	100	109	118	119
3	Productivity per day	MT	***	***	***	***
	Trend	Index	100	135	119	120
4	Productivity per employee	MT	***	***	***	***
	Trend	Index	100	132	101	88

92. It is seen that:

- a. The number of employees and wages paid by the domestic industry have increased over the injury period.
- b. The productivity per day increased in 2021-22, declined in 2022-23 and remained at a similar level in the period of investigation.
- c. The domestic industry has claimed that the significant dumping of the product has led to the shutdown of one of the production lines in the post period of investigation and the domestic industry has been forced to lay off employees.

f. Growth

93. The growth of the domestic industry in terms of production, capacity utilization, domestic sales volume, PBT, PBIT, cash profits and the return on capital employed are given in the table below:

SN	Particulars	Unit	2021-22	2022-23	POI
1	Capacity	%	0%	0%	11%
2	Production	%	35%	-12%	0%
3	Domestic sales volume	%	-9%	43%	-10%
4	Profit per unit	%	160%	-65%	-186%
4	Cash profit per unit	%	145%	-61%	-155%
5	PBIT per unit	%	157%	-65%	-186%
6	ROCE	%	94%	-62%	-167%

94. It is seen that with low priced imports from the subject country in the period of investigation, the growth of the domestic industry in domestic sales, capacity utilization, profit per unit, PBIT per unit, cash profit per unit and return on capital employed was significantly negative.

g. Magnitude of dumping margin

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

h. Ability to raise capital investment.

96. The performance of the domestic industry was adversely impacted on both volume and price accounts. As the import price from the subject country declined, the domestic industry suffered from losses, cash losses, and low return on investment. Thus, the ability of the domestic industry to raise capital investment has been significantly impacted.

i. Factors affecting price

97. Examination of DGCIS import data showed that the import price from the subject country is below the selling price and cost of sales of the domestic industry. With an increase in the volume of imports from the subject country, the domestic industry has been unable to change its selling price commensurate with the changes in the cost of sales. There is a significant price effect of the imports due to low-priced imports from the subject country. Therefore, the imports from the subject country have affected the prices of the domestic industry.

F.4.5 Conclusion on injury

98. On the basis of above, the following conclusions have been drawn:
- a. The imports have increased in the period of investigation compared to previous year.
 - b. It is seen that the import price has not moved in line with the raw material cost. Over the injury period, the raw material cost for the product under consideration has increased by Rs *** per MT, but the import price has declined by Rs ***per MT. When seen in comparison to the immediately preceding year, the raw material has declined by Rs *** per MT, the landed price has declined by Rs *** per MT.
 - c. Imports are undercutting the selling prices of the domestic industry.
 - d. While the cost of sales of the domestic industry increased by Rs *** per MT, the selling price has declined by Rs *** per MT The domestic industry has not been able to increase its prices in line with the increase in the cost.
 - e. The dumped imports have depressed the prices of the domestic industry.
 - f. Production and capacity utilization of the domestic industry has declined in the period of investigation as compared to the immediately preceding year.
 - g. Domestic sales of the domestic industry have declined in the period of investigation despite increase in the capacity and demand.
 - h. The market share of the imports from the subject country has increased during the POI as compared to preceding year whereas the market share of the domestic industry declined in the POI as compared to preceding year.
 - i. The domestic industry has suffered financial losses, cash losses and negative return on capital employed in the period of investigation. From a situation of profit of Rs [***] per MT, the domestic industry has suffered losses of Rs [***] per MT in the period of investigation.

j. The domestic industry has recorded a negative growth in all the parameters in the period of investigation.

99. It is therefore concluded that the domestic industry has suffered material injury.

G. CAUSAL LINK AND NON-ATTRIBUTION ANALYSIS

100. The Authority is required to examine any known factors other than dumped imports which are injuring the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and the domestic producers, developments in technology and the export performance and the productivity of the domestic industry. It has been examined below whether the factors listed under the Rules could have contributed to the injury suffered by the domestic industry.

a. Volume and price of imports from third countries

101. Imports from the subject country constitute 100% share in the total imports into India. In the absence of imports from the other countries, injury to the domestic industry cannot be caused due to other imports.

b. Contraction in demand

102. It is seen that the demand for the subject goods (including captive) has increased over the injury period. Therefore, the domestic industry has not suffered injury due to contraction in demand.

c. Change in the pattern of consumption

103. There has been no known material change in the pattern of consumption for the product under consideration that could have caused injury to the domestic industry.

d. Trade restrictive practices

104. No interested parties have produced any evidence relating to any possible trade restrictive practice, which could have caused injury to the domestic industry. Therefore, the Authority concludes that trade restrictive practice has not caused injury to the domestic industry.

e. Development of technology

105. The Authority notes that there is no evidence that technology for the production of the subject goods has undergone change over the injury period. Hence, development in technology has not caused injury to the domestic industry.

f. Export performance

106. The Authority has considered the injury data for the domestic operations separately for the injury analysis. Therefore, export performance is not the cause of injury to the domestic industry.

g. Performance of other products

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

h. Causal link between dumping and injury.

108. The above factors examined by the Authority show that injury is not caused due to any other factor. The examination below shows injury is caused due to dumping of the product under consideration.

- a. Imports from the subject country are at dumped prices.
- b. Import prices from the subject country declined at a rate more than the decline in the cost of raw materials. The import price is now below the cost and selling price of the domestic industry.
- c. As the landed price was below the cost and price of the domestic industry, the dumped imports were depressing the prices of the domestic industry.
- d. As a result of the low-priced imports and price depression, the domestic industry has incurred financial losses, cash loss and negative return on capital employed.
- e. The imports from the subject country increased in the period of investigation more than the increase in demand.
- f. The market share of the domestic industry has declined and that of the dumped imports has increased during the POI as compared to preceding year. The domestic sales, and capacity utilisation also followed the same trend during the POI as compared to preceding year.

H. MAGNITUDE OF INJURY MARGIN.

109. The Authority has determined the non-injurious price for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The non-injurious price has been determined by adopting the information/data relating to the cost of production provided by the domestic industry. The non-injurious price has been compared with the landed price of the product under consideration from the subject country for calculating the injury margin. For determining the non-injurious price, the best utilization of the raw materials and utilities and the best utilization of production capacity have been considered. Extraordinary or non-recurring expenses and/or assets have been excluded from the cost of production and/or non-injurious price. A reasonable return (pre-tax @ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) deployed for the product under consideration has been allowed for recovery of interest, corporate tax, and profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules.

110. The landed price and non-injurious price determined as above have been compared on weighted average basis. The weighted average of the injury margin determined for producers/exporters by the Authority is provided in the table below:

SN	Particular	NIP	Landed price	Injury Margin		
		USD/MT	USD/MT	USD/MT	%	Range
1	Tsaker Huayu Chemical Company Ltd.	***	***	***	***	5-15
2	Any other producer	***	***	***	***	20-30

I. INDIAN INDUSTRY INTEREST AND OTHER ISSUES

I.1 Submissions made by the other interested parties

111. The other interested parties have made the following submissions with regard to the Indian industry's interest:

- i. Imposing anti-dumping duties on imports from China PR would increase costs for downstream industries of OBA manufacturers like Khyati, risking job losses and slower growth.
- ii. Downstream sectors like paper, textiles, and detergents would also face higher input prices, impacting producers and consumers.
- iii. Given that DASDA is produced only in China and India, extra duties would reduce market competition and efficiency. Existing customs duties and past anti-dumping measures already sufficiently protected the applicant, making further duties unnecessary and harmful to Indian businesses and consumers.
- iv. The applicant has consistently sold DASDA to Khyati at prices higher than its export prices, disadvantaging Khyati in both domestic and export markets. If anti-dumping duty is imposed, the gap will likely worsen making it unviable for independent OBA producers to operate.
- v. Integrated producers may restrict DASDA supply post-anti-dumping duty, creating artificial scarcity to monopolize the OBA market, harming fair competition.
- vi. There are around 5 producers of DASDA in India, with a combined capacity of 12,600 MT. Against this, the domestic demand is about 12,975 MT, indicating a tight demand-supply balance.
- vii. None of the other MSME producers have supported the applicant or submitted independent data, raising doubts over the claimed injury. Any alleged injury to unidentified MSMEs is speculative and legally untenable.
- viii. The claim that OBA profitability is independent of DASDA prices is incorrect, as integrated producers like domestic industry can manage internal transfer prices, while non-integrated producers such as Khyati are directly impacted by DASDA price fluctuations.

- ix. Khyati's profitability declined over the years. Any increase in cost of DASDA will add on to such declines in profits further and even 10% ADD on DASDA can trigger over all 3-4% cost increases and ultimate loss.
- x. Around 40-50% of the domestic industry capacity is used for captive consumption and some for exports. The actual quantity of DASDA available for sale in the domestic market is much lower than the claimed capacity.
- xi. Khyati Chemicals Private Limited has provided the following cost details relating to OBA production:

SN	Particulars	UOM	Amount in INR
1	Cost of DASDA	INR	30,45,67,157
2	Other cost	INR	90,93,85,701
3	Total Cost	INR	1,21,39,52,858
4	Share of DASDA	%	25%
5	Share of DASDA	Range	20-30%

- xii. Further, Khyati Chemicals Private Limited submitted that the duty may increase the cost of OBA by about 5–8%.

I.2 Submissions made by the domestic industry

112. The domestic industry has made the following submissions with regard to the Indian industry's interest:
- i. Indian industry consists of both organized and MSME producers.
 - ii. The other MSME producers, being largely single-product companies, have been severely impacted by low-priced imports. While the applicant has shut down one production line, the situation is even worse for others, making survival increasingly difficult.
 - iii. The product under consideration is majorly used in manufacturing of Optical Brightening Agent (OBA). The imposition of anti-dumping duty would have insignificant impact on the end product.
 - iv. The profitability of OBA was highest in 2021-22 when DASDA prices were higher. Even in the period of investigation, when the price of DASDA declined in the period of investigation, the OBA price in India also declined. Anti-dumping duty on DASDA will not necessarily imply a decline in OBA profitability.
 - v. The product has previously been subject to anti-dumping duty, with no known adverse impact on the downstream OBA industry. OBA industry operates on a pass-through model, where cost increases are passed on to the end consumer.
 - vi. The profitability of Khyati Chemicals improved consistently till 2022-23, declined in 2023-24 despite a decline in the DASDA prices. This indicates that the downstream OBA industry achieved peak profitability when DASDA prices were highest.
 - vii. Domestic sourcing also allows consumers to maintain lower inventory levels, reducing capital blockage and improving supply reliability compared to dependence on imports. As Indian industry, being locally established, is more aligned with consumer interests.

- viii. India is fully self-reliant in the product, with domestic capacity exceeding 12,000 MT against a total demand of around 9,000 MT. Despite the absence of any demand-supply gap, imports from China PR have increased sharply during the period of investigation.
- ix. There is significant competition in the market as there are 4-5 producers of like article in India. The imposition of anti-dumping duty would not monopolize the Indian market.
- x. Unlike foreign producers driven by profit and market-switching, the Indian industry supports long-term consumer interests and reduces inventory costs for buyers.
- xi. The applicant has spent nearly 28 crores during FY 2023-24 on contributions towards society, and these initiatives have benefitted 8,50,000 people.
- xii. DASDA comprises only about 25% of OBA production costs, and even with a 10% duty, the overall impact on OBA costs would be just 2.5%, with less than 1% effect on downstream consumer goods.
- xiii. There are surplus capacities in India and therefore, the claim of Khyati Chemical that duties will lead to short supply and excessive price is unfounded.
- xiv. The domestic industry has also provided a quantified illustration of the possible impact of anti-dumping duty, assuming a duty of 10%, which is shown below:

SN	Particulars	UOM	Ref.	Value
1	Sales Price of DASDA	Rs/Kgs	A	250.00
2	DASDA required for OBA (Norms)	KG/KG	B	0.40
3	In OBA Price, DASDA Share	Rs/Kgs	$C=A*B$	100.00
4	OBA Sales Price	Rs/Kgs	D	400.00
5	% of DASDA in total price of OBA	%	$E=C/D$	25.00%
6	Anti-dumping duty (illustrative)	%	F	10.00%
7	Price impact on DASDA	%	$G=E*F$	2.50%

- xv. The domestic industry has also provided information on the profitability of Khyati Chemicals over the injury period. It has been claimed that the primary operations of the company is production of OBA by using DASDA. The table below shows the operations of Khyati Chemicals over the injury period.

SN	Particular	UOM	2020-21	2021-22	2022-23	2023-24
1	Revenue from operation	Rs lakhs	18,794	22,753	21,462	15,505
2	Cost of sales	Rs lakhs	14,902	19,018	17,584	14,962
3	Profit before tax	Rs lakhs	4,246	4,602	4,683	1,193
4	RM to turnover	%	56%	56%	56%	69%
5	PBT to turnover	%	23%	20%	22%	8%
6	ROCE	%	41%	43%	27%	6%
7	DASDA price	Rs/MT	3,07,123	3,98,682	4,00,804	2,52,003

I.3 Examination by the Authority

113. The Authority examined whether the imposition of the proposed anti-dumping duty would be against public interest. This determination is based on consideration of information on records and interests of various parties, including the domestic industry, importers and consumers.
114. The Authority issued a gazette notification inviting views from all interested parties, including importers, users and other interested parties. The Authority also prescribed a questionnaire for the users to provide the relevant information with regard to the present investigation, including the possible effect of the anti-dumping duty on their operation. The Authority sought information on, *inter-alia*, interchangeability of the product supplied by the various suppliers from different countries, ability to switch sources, the effect of the antidumping duty on the consumers, and the factors that are likely to accelerate or delay the adjustment to the new situation caused by the imposition of the anti-dumping duty.
115. The Authority notes that the purpose of anti-dumping duty, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market.
116. The Authority had circulated an Economic Interest Questionnaire (EIQ) to all interested parties in the present investigation. Responses were received from the domestic industry and Khyati Chemicals Private Limited. It is noted that Khyati Chemicals Private Limited has not provided any detailed or quantified analysis of the likely impact of anti-dumping duty. Instead, it has only made a general statement that the duty may increase the cost of OBA by about 5–8%.
117. From the above data submitted by Khyati Chemicals Private Limited, it is evident that DASDA accounts for approximately 25% of the total cost of OBA (Optical Brightening Agent).
118. The domestic industry has also provided a quantified illustration of the possible impact of anti-dumping duty, assuming a duty of 10%.
119. The calculation submitted by domestic industry shows that even if a 10% anti-dumping duty is imposed on DASDA, the overall impact on the price of OBA would be only about 2.5%.
120. The domestic industry has also provided information on the profitability of Khyati Chemicals over the injury period. It has been claimed that the primary operations of the company is production of OBA by using DASDA.
121. Based on the information on record, it is seen that the financial performance of Khyati Chemicals does not exhibit any direct correlation to DASDA prices. The profitability has

declined when the DASDA prices are lowest. Accordingly, the Authority finds that the OBA industry is capable of passing on any marginal increase in costs to downstream sectors.

122. With regards to the contention that users rely on subject imports due to demand and supply gap in India. The Authority based on the information on record, noted that the capacity in India is more than the demand in the country. There is no demand and supply gap in the country. Even if anti-dumping duty would bring the import volume to fair prices, the downstream industry in India will not be deprived of supplies.
123. With regards to the contention that DASDA producers in India also make OBA and anti-dumping duty on DASDA will deprive the OBA producers of DASDA, the Authority notes that with surplus capacity of DASDA in India, there is no reason to claim that the imposition of anti-dumping duty will deprive the user industry of DASDA at fair prices. The imposition of anti-dumping measures does not restrict imports from the subject country in any way.

J. POST DISCLOSURE COMMENTS

J.1 Comments made by the other interested parties

124. The following comments on the disclosure statement have been filed by the other interested parties:
- a. The Authority's findings do not address the inconsistency in the production capacity declared by the domestic industry during earlier investigation periods. It was stated that the Authority relied on environmental clearance granted in 2019 and subsequent approvals in 2022 and 2024, which relate to later expansions and therefore do not reconcile the capacity figures declared in earlier investigations.
 - b. The claim that the shutdown of Unit-3 and layoffs were caused by dumped imports lacks evidence. Market information indicates the shutdown occurred in late 2025, beyond the POI, and therefore cannot be attributed to imports during the POI.
 - c. The comparison of import prices with the domestic industry's export prices shows no price distortion in the Indian market. If the domestic industry exports at comparable or lower prices, similar-priced imports cannot be considered injurious, as they reflect global market conditions.
 - d. The Authority's analysis of price evolution does not reflect the actual transactional pricing behaviour during the injury period. Exports of DASDA from Tsaker to India in 2022 occurred only in a few isolated months, and therefore the price trend cannot be attributed to sustained pricing behaviour in the Indian market.
 - e. The uniform adoption of a 22% pre-tax Return on Capital Employed (ROCE) for determination of the Non-Injurious Price is excessive and not mandated under Annexure III of the Anti-Dumping Rules, which only requires a "reasonable return".
 - f. The adoption of a 15-month period of investigation is legally unsustainable Rules, as the mandatory conditions for deviating from the standard 12-month POI were not fulfilled at the time of initiation.

- g. The post-facto reasoning in the disclosure statement merely reproduces the applicant's arguments without independent scrutiny and cannot cure the fundamental legal defect. The Authority's observation that the extended period includes a complete financial year is irrelevant.
- h. The authorization and certification of the domestic industry's is not valid as the signatory's empowerment under company law and the Articles of Association is unclear.
- i. The imports of DASDA from China PR have declined sharply, from nearly 50% of Indian demand to only 10-12% during the POI. Past DGTR findings confirm reduced import volumes and market significance, with no price effects, as even the applicant's data shows negative price undercutting.
- j. The Authority has not adequately examined the tightly balanced demand–supply situation for DASDA in India, where much of the installed capacity is used for captive OBA production and some is exported, leaving the merchant market reliant on limited imports of 10-11%.
- k. With domestic producers already meeting nearly 90% of demand and imports only a small balancing share, duties would not address injury but risk harming downstream industry, competition, and consumers.

J.2 Comments made by the domestic industry

125. The following comments on the disclosure statement have been filed by the domestic industry:
- a. Transaction-wise data shows significant variation in import prices over months, purchasers, and regions. Weighted averages hide the real extent of injury, as recognized by the Hon'ble Tribunal in *Kothari Sugars & Chemicals Limited v. Designated Authority and Honest Enterprises Ltd. v. Designated Authority*.
 - b. There is no fixed rule defining how the Authority should determine the injury margin. While the Authority has historically calculated injury margin as the difference between the NIP and the landed price of imports. This approach does not address all situations, particularly where import prices vary significantly by transaction, region, customer, or time period.
 - c. Many import transactions occur above NIP and do not harm the domestic industry, the industry's concern is only with imports priced below NIP. Therefore, the injury margin should be determined solely on imports sold below NIP.
 - d. For the purpose of non-injurious price, Para Nitro Toluene (PNT) should not be valued at market prices for determining the NIP of DASDA, as prevailing market prices of PNT are depressed due to significant dumping. Using these dumped market prices for NIP would artificially lower the price and fail to prevent injury.
 - e. The import price of DASDA has continued to decline even after the period of investigation, despite no proportional reduction in raw material costs. Consequently, both dumping and injury margins have increased significantly in the post-POI period.
 - f. Since depreciation costs and net fixed assets of the domestic industry are low, applying a 22% ROCE for NIP purposes is inappropriate and does not provide adequate relief

- against dumped imports. The Authority may consider the actual ROCE earned in 2022–23, a period of fair competition with no dumping.
- g. Since the impact of anti-dumping duty on OBA is only 2.5%, the anti-dumping duties are not likely to lead to any material increase in the prices of the consumable end product. The impact of proposed measures on consumable end products is less than 1%.
 - h. The domestic industry has spent nearly Rs 28 crores during FY 2023-24 on contributions towards society. The initiatives taken by the domestic industry have benefitted 8,50,000 people lives.
 - i. There are more than 5 producers of the like article in India. Hence, the anti-dumping duty would not lead to the domestic industry monopolising the Indian market.
 - j. The import price of DASDA has sharply declined over the injury period, from USD 9,208/MT in January 2022 to USD 3,186/MT by the end of the period of investigation, and continued to fall post-POI, reaching its lowest level in March 2025. This decline occurred despite no proportionate reduction in raw material costs. It is requested that benchmark form of anti-dumping duty must be imposed based on the landed price of imports during the POI.
 - k. The benchmark duty would target only imports priced below the non-injurious price, ensuring fair competition without raising prices for imports above the non-injurious level or affecting the downstream industry.

J.3 Examination by the Authority

126. The Authority has examined the post-disclosure submissions made by the interested parties. It is seen that most of these submissions are reiterations of arguments and contentions that have already been examined and addressed to the extent deemed necessary in the relevant paragraphs of these final findings. The issues raised for the first time in the post disclosure comments/submissions by the interested parties and the domestic industry and considered relevant by the Authority are examined below. Any submission which was merely a reproduction of the previous submissions, and which had been adequately examined by the Authority has not been repeated for the sake of brevity.
127. On the comments that 22% return should not be provided on capital employed for calculation of non-injurious price, the Authority considers that it has been consistent practice to consider 22% return on capital employed. The Authority notes that no evidence/submissions have been made by interested parties substantiating why 22% return on capital employed is not justified in the facts and circumstances of the present case which could have justified well established practice of the Authority.
128. The domestic industry has submitted that Para Nitro Toluene (PNT), the primary raw material used in the manufacture of the product under consideration, should not be valued at prevailing market prices for the purpose of determination of the non-injurious price. The prevailing market prices of PNT are depressed due to dumping of PNT and therefore should not be relied upon for determining the non-injurious price. The matter has been examined,

and it is noted that the Annexure III to the anti-dumping rules require calculation of cost of production based on the cost reflected in the records maintained by the domestic industry. Since the actual costs reflected in the books of accounts are the real cost, the same have to be considered for the purpose of calculation of non-injurious price. In the present case, costs as reflected in the books of accounts have been considered.

129. With regard to the submission that imposition of anti-dumping duties would not be in the public interest as the product under consideration is a key raw material for downstream industries such as OBA, it is noted that the investments are made with fair operations in mind. The investigation has shown that the immediate downstream industry can pass on the increase in the cost to its further downstream industry and the impact of anti-dumping duty on the end product is found to be very low. It is also seen that the prices of DASDA were higher in past and have declined only in the period of investigation. The user industry has not claimed that the past high prices affected their operations. It is therefore considered that the domestic industry's performance has not been impacted.
130. With regard to the comments of the interested parties on the capacity reported by domestic industry, the Authority notes that all documents relied upon by the interested parties pertain to periods prior to the injury period. The documents cited by the interested parties relate only to one production line, whereas the domestic industry has more than one production line. The documents relied upon by the interested parties do not reflect the total installed capacity of the domestic industry. As already examined in the disclosure statement, the domestic industry has submitted various documents in support of the claimed capacity. The Authority finds that the evidence placed on record by the domestic industry adequately establishes the correctness of its reported capacity and the enhancement during the period of investigation.
131. With regard to the comments of the interested parties on the demand and supply gap situation, it is seen that information on record does not show any demand and supply gap in India. It is seen that the capacity in India is sufficient to cater the entire demand in India.
132. With regard to the submission that import prices from Tsaker, even after payment of the existing customs duty of 7.5%, are not lower than the domestic selling price of the domestic industry, it is noted that the price undercutting has been found to be positive. Therefore, the submission cannot be accepted.
133. The domestic industry has requested for the benchmark duty as it would target only imports priced below the non-injurious price, ensuring fair competition without raising prices for imports above the non-injurious level or affecting the downstream industry. The matter has been examined, and taking into account the factual matrix of the case, benchmark/reference form of anti-dumping duty is recommended in this case.

K. CONCLUSION

134. Having regard to the contentions raised, information provided, and submissions made by the interested parties and facts available before the Authority, as recorded in the above findings, and on the basis of above analysis of the dumping, injury and causal link to the domestic industry, the Authority concludes as follows:
- a. The product under consideration in the present investigation is 4,4-Diamino Stilbene 2,2-Disulphonic Acid (DASDA). The product is also known as 2,2'-(1,2-Ethylenediyl) bis (5-aminobenzenesulfonic acid), 4,4'-Diaminostilbene-2,2'-Disulfonic Acid, and DSD Acid.
 - b. The product is being imported under sub-heading 2921. The product has a dedicated classification under HS code 2921 59 40. However, the product has also been imported under the classifications 2921 42 90.
 - c. The application has been filed by Deepak Nitrite Limited. Apart from the applicant, there are eight other producers of the subject goods in India.
 - d. The application has been supported by other producers.
 - e. The other producers have supported the present investigation. The domestic industry accounts for more than 75% of the total Indian production.
 - f. The Authority holds that the applicant constitutes domestic industry under Rule 2(b) of the Rules and that the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules.
 - g. Dumping margin is positive for Tsaker Huayu Chemical Company Ltd. and other non-participating exporters.
 - h. Imports have sharply increased in the period of investigation compared to the previous year.
 - i. While the raw material costs have increased over the injury period, the import price has declined. Even when compared to the immediately preceding year, both the import price and the raw material costs have declined, but the decline in the import price is far higher.
 - j. While the cost of sales of the domestic industry increased by Rs *** per MT during the injury period, the selling price has declined by Rs *** per MT during the same period. The domestic industry has not been able to increase its prices in line with the increase in the cost.
 - k. Imports are undercutting the prices of the domestic industry in the market.
 - l. The dumped imports have depressed the prices of the domestic industry.
 - m. The domestic industry expanded its capacity. While the capacity and demand in India increased, the domestic sales have declined during the POI as compared to preceding year.
 - n. The domestic industry suffered financial losses, cash losses and negative return on capital employed in the period of investigation.
 - o. The domestic industry has not suffered injury due to other factors. The material injury caused to the domestic industry is due to the dumping of the product under consideration from the subject country.

- p. There is no demand-supply gap in the country, and the Indian industry has sufficient capacity to cater to the entire domestic demand.
- q. The imposition of anti-dumping measures does not restrict imports from the subject country in any way.
- r. The impact of recommended anti-dumping duty on downstream industries is insignificant. Anti-dumping duty would ensure that the imports are entering the Indian market at fair prices and a level playing field is maintained between the foreign exporters and the domestic industry.
- s. The imposition of anti-dumping duty would not create a monopoly for the domestic industry and would be consistent with the larger public interest.

L. RECOMMENDATION

135. The Authority notes that investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers, and other interested parties to provide positive information on the aspect of dumping, injury, causal link, and impact of recommended measures. Having initiated and conducted the investigation into dumping, injury, and causal link in terms of provisions laid down under the anti-dumping rules, the Authority is in view that imposition of anti-dumping duty is required to offset the dumping and injury. The Authority considers it necessary and recommends imposition of an anti-dumping duty on imports of subject goods from the subject country.
136. With regard to the form of duties, and taking into account the factual matrix of the case, and after examining the submissions made by all interested parties, the Authority notes that the levy of reference-price/benchmark-based duty provides a stable pricing framework, allowing both domestic producers and importers to operate with greater predictability. It ensures that the remedial measure is proportionate and does not unfairly restrict imports beyond what is necessary to counteract the dumping/injury. After careful examination the Authority notes that the reference-price based duty is the most appropriate form of duties in the factual matrix of the subject investigation.
137. Having regard to the lesser duty rule followed, the Authority recommends imposition of definitive anti-dumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry. Having regard to the facts of the case and the information on record provided by the interested parties, the Authority recommends imposition of benchmark form of duty.
138. Accordingly, an anti-dumping duty at a rate equal to the difference between the landed value of subject goods and the amount specified as reference price in the corresponding entry in column (7), provided that the landed value is less than the amount indicated in column (7), is recommended to be imposed. The landed value of imports for this purpose shall be the assessable value as determined by the customs under Customs Tariff Act, 1962 and

applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

DUTY TABLE

SN	Heading/sub-headings	Description of the goods	Country of origin	Country of exports	Producers	Amount	UOM	Currency
1	2	3	4	5	6	7	8	9
1.	2921 59 40 and 2921 42 90**	4,4-Diamino Stilbene 2,2-Disulphonic Acid or 2,2'-(1,2-Ethylenediyl) bis (5-aminobenzenesulfonic acid), 4,4'-Diaminostilbene-2,2'-Disulfonic Acid or DSD Acid.	China PR	Any country including China PR	Tsaker Huayu Chemical Company Limited	3,453	MT	US\$
2	-do-	-do-	China PR	Any country including China PR	Any producer other than SN 1	3,453	MT	US\$
3	-do-	-do-	Any country other than China PR	China PR	Any producer	3,453	MT	US\$

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

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 the India covered by this invoice was manufactured by (company name and address) in (country name). 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.

M. FURTHER PROCEDURE

139. 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)
