

NON-CONFIDENTIAL



**CASE NO. AD (OI) – 05/2025**

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

**FINAL FINDING**

**Anti-dumping investigation concerning imports of “Ethylene Diamine”  
originating in or exported from People’s Republic of China (“China PR”),  
European Union, Kingdom of Saudi Arabia and Taiwan**

## NON-CONFIDENTIAL

**Table of Contents**

<b><u>A. BACKGROUND OF THE CASE</u></b> .....	<b>3</b>
<b><u>B. PROCEDURE</u></b> .....	<b>4</b>
3.1 Initiation.....	4
3.2 Circulation of non-confidential version of the application.....	4
3.3 Participation by exporters of subject countries and importers/users from India.....	5
3.4 Further procedures.....	6
<b><u>C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE</u></b> .....	<b>7</b>
C.1. Submissions by other interested parties (exporters, importers and users).....	7
C.2. Submission by the applicant.....	8
C.3. Examination by the Authority.....	9
<b><u>D. SCOPE OF DOMESTIC INDUSTRY &amp; STANDING</u></b> .....	<b>11</b>
D.1 Submission by opposing interested parties.....	11
D.2 Submission by the applicant.....	11
D.3 Examination by the Authority.....	11
<b><u>E. CONFIDENTIALITY AND MISCELLANEOUS SUBMISSIONS</u></b> .....	<b>12</b>
E.1 Submission by opposing interested parties.....	12
E.2 Submission by the applicant.....	13
E.3 Examination by the Authority.....	13
<b><u>F. ASSESSMENT OF DUMPING AND DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN</u></b> .....	<b>14</b>
F.1 Submission by other interested parties.....	14
F.2 Submission by the applicant.....	15
F.3 Examination by the Authority.....	16
F.4 Determination of normal value and export price.....	17
<b><u>G. ASSESSMENT OF INJURY AND CAUSAL LINK</u></b> .....	<b>23</b>
G.1 Submission by other interested parties.....	23
G.2 Submission by the applicant.....	25
G.3 Examination by the Authority.....	27
G.3.1 Assessment of demand/apparent consumption.....	29
G.3.2 Volume effect of the dumped imports.....	30
G.3.3 Price effect of the dumped imports.....	31
G.3.4 Economic parameters of the domestic industry.....	33
G.3.5 Conclusions on injury.....	38
<b><u>H. NON-ATTRIBUTION AND CAUSAL LINK</u></b> .....	<b>39</b>
<b><u>I. MAGNITUDE OF INJURY MARGIN</u></b> .....	<b>40</b>
<b><u>J. INDIAN INDUSTRY'S INTEREST &amp; OTHER ISSUES</u></b> .....	<b>41</b>
J.1 Submission by opposing interested parties.....	41
J.2 Submission by the applicant.....	42
J.3 Examination by the Authority.....	43
<b><u>K. POST-DISCLOSURE COMMENTS</u></b> .....	<b>46</b>
K.1 Submissions by the other interested parties.....	46
K.2. Submissions by the Domestic industry.....	48
K.3. Examination by the Authority.....	50
<b><u>L. CONCLUSION</u></b> .....	<b>53</b>
<b><u>M. RECOMMENDATIONS</u></b> .....	<b>54</b>
<b><u>N. FURTHER PROCEDURE</u></b> .....	<b>57</b>

NON-CONFIDENTIAL

**F. No. 6/05/2025-DGTR**  
**Government of India**  
**Ministry of Commerce & Industry**  
**Department of Commerce,**  
**Directorate General of Trade Remedies**  
**4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001**

**Date: June 2026**

**FINAL FINDING**

**Case No. AD (OI)- 05/2025**

**Subject: Anti-dumping investigation concerning imports of “Ethylene Diamine” originating in or exported from People's Republic of China (“China PR”), European Union, Kingdom of Saudi Arabia and Taiwan.**

**F. No. 6/05/2025-DGTR** - Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred as “Act”) and the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter referred as the “Anti-Dumping Rules” or “Rules”) thereof,

**A. BACKGROUND OF THE CASE**

1. Balaji Speciality Chemicals Limited (hereinafter referred to as the “applicant” filed an application, before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with the Customs Tariff Act, 1975 and the Anti-Dumping Rules for initiation of anti-dumping investigation concerning imports of ‘Ethylene Diamine’ (hereinafter also referred to as the “product under consideration” or the “subject goods” or “EDA”) from the People's Republic of China (“China PR”), European Union, Kingdom of Saudi Arabia and Taiwan (hereinafter referred to as the “subject countries”).
2. And whereas, in view of the duly substantiated application filed by the applicant, the Authority issued a public notice *vide* Notification F. No. 6/05/2025-DGTR, dated 25<sup>th</sup> March, 2025, published in the Gazette of India, initiating anti-dumping investigation into imports of the product under consideration from China PR, European Union, Saudi Arabia and Taiwan in accordance with Rule 5 of the Anti-Dumping Rules to determine the existence, degree and effect of any alleged dumping of the product under consideration and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

NON-CONFIDENTIAL

## B. PROCEDURE

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

### 3.1 **Initiation**

- i. In accordance with Rule 5(5), the Authority notified the embassy of the subject countries in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation.
- ii. Upon examination of the application, the Authority found *prima facie* evidence of dumping and consequent injury. Therefore, in accordance with Rules 5 and 6, *vide* Notification F. No. 6/05/2025-DGTR dated 25<sup>th</sup> March, 2025, the Authority initiated the present proceedings.
- iii. The period of investigation (POI) was considered as 1<sup>st</sup> October, 2023 to 30<sup>th</sup> September, 2024 (12 months). The injury period was set to cover the period 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022, 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023, 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024 and the period of investigation.
- iv. A request was made to the Directorate General for Systems and Data Management (“DG Systems”) for transaction-wise import data of the product under consideration for the injury period. The Authority received the data and has relied upon this data for the necessary analysis after due examination of the transactions.

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

- v. In accordance with Rule 6(2), the Authority informed the interested parties of the initiation of investigation by sharing a copy of the initiation notification with the embassy of the subject country in India, known producers and exporters of the product under consideration in the subject country, known importers of the subject goods in India and other interested parties, as per the information made available in the application.
- vi. In accordance with Rule 6(3), the Authority provided a copy of the non-confidential version of the application to the government of the subject country through their embassy in India, known exporters of the subject imports and to other interested parties who requested in writing for a copy of the application.
- vii. The Authority sent questionnaire to the government of the subject countries through their embassy in India. The government of the subject country was requested to forward the initiation notification and the questionnaires to the producers of the product under consideration in their country and advise them to respond to the questionnaire within the prescribed time limit.
- viii. The Authority sent exporter questionnaires to the following known producers/exporters of the subject goods calling for necessary information in accordance with Rule 6(4) of the Rules.

## NON-CONFIDENTIAL

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

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

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

SN	Name of interested party
a.	M/s BASF Antwerpen NV, Belgium
b.	M/s BASF EOOD, Bulgaria
c.	M/s BASF Espanola SLU, Spain
d.	M/s BASF France S.A.S., France
e.	M/s BASF Hong Kong Ltd., Hongkong
f.	M/s BASF Hungaria Kft., Hungary
g.	M/s BASF-YPC Company Limited, China PR
h.	M/s BASF Ireland DAC, Ireland
i.	M/s BASF Italia S.p.A., Italy
j.	M/s BASF Nederland B.V., Netherlands
k.	M/s BASF SE, Germany
l.	M/s BASF spol s.r.o., Czech Republic
m.	M/s BASF India Limited
n.	M/s Dow Chemical Pacific (Singapore) Private Limited, Dubai Branch, UAE
o.	M/s Dow Saudi Arabia Product Marketing Arabia B.V. Dubai Branch, UAE
p.	M/s Dow Chemical International Private Ltd, Dubai Branch, UAE
q.	M/s Sadara Chemical Company, Kingdom of Saudi Arabia
r.	BASF Belgium Coordination Centre, Belgium
s.	BASF Oy, Finland
t.	BASF SRL, Romania

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

SN	Name of interested party
a.	M/s Cardolite Specialty Chemicals India LLP
b.	M/s Coromandel International Limited (CIL)
c.	M/s Dow Chemical International Private Limited (DCIPL)
d.	M/s Indorama Industries Pvt. Ltd

*NON-CONFIDENTIAL*

e.	M/s Hyosung India Pvt. Ltd.
f.	M/s Indofil Industries Limited

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

SN	Name of interested party
a.	Balaji Speciality Chemicals Limited
b.	Coromandel International Limited
c.	Cardolite Specialty Chemicals India LLP

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

### **3.4 Further procedures**

- xiv. In accordance with Rule 6(6), the Authority provided an opportunity to the interested parties to present their views orally in a hearing held on 7th October 2025. Subsequently, due to change in the Designated Authority, another oral hearing was held on 18<sup>th</sup> December 2025. The parties presenting their views in both the oral hearings were directed to make written submissions of the views expressed orally, followed by rejoinder submissions. In accordance with the accepted practice of the Authority, non-confidential versions of the rejoinder submissions by the parties were not circulated.
- xv. In accordance with Rule 6(8), wherever an interested party has refused access to or has otherwise not provided necessary information in a timely manner during the course of the present proceedings, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the findings based on the facts available.
- xvi. In accordance with Rule 7, information provided by the interested parties on a confidential basis was examined by the Authority with regard to the sufficiency of the confidentiality claimed. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered as confidential and not disclosed to other interested parties. Wherever

**NON-CONFIDENTIAL**

- possible, parties providing information on confidential basis were directed to provide a non-confidential summary of the information filed on confidential basis.
- xvii. In accordance with Rule 8, the Authority conducted verification of the data provided by the applicant and other interested parties to the extent considered necessary for the present proceedings. The Authority has considered the verified data of the interested parties in its analysis in the present case.
- xviii. The Authority calculated the non-injurious price (NIP) for the product under consideration so as to ascertain whether duties lower than the dumping margin would be sufficient to remedy the injury being suffered by the applicant. The NIP has been calculated based on the optimum cost of production and cost to produce & sell the domestic like article in India, based on the information furnished by the applicant and having regard to the Generally Accepted Accounting Principles (GAAP).
- xix. The Authority examined the issues raised, information provided, and submissions made by the interested parties during the course of the proceedings, to the extent they were supported by evidence and considered relevant to the present purpose, in making the final finding.
- xx. 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 16<sup>th</sup> June 2026 and the interested parties were asked to provide comments on the disclosure statement. The submissions made by the interested parties, arguments raised, and the comments to disclosure statement received from the interested parties have been considered, to the extent found relevant, non-repetitive and supported with evidence in this final finding notification.
- xxi. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = ₹ 84.27.

**C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE****C.1 Submissions by other interested parties (exporters, importers and users)**

4. The other interested parties have made the following submissions with regard to the product under consideration and like article.
- i. Indorama Industries Private Limited has submitted that the applicant does not produce Ethylene Diamine used in the production of spandex yarn and therefore to such an extent warrants a user-based exemption from the scope of product under consideration.
  - ii. Indorama requires high-purity ethylene di amine for producing spandex Yarn, where even trace impurities affect product performance. The ethylene di amine must meet precise purity and water content specifications.
  - iii. Despite multiple correspondences and testing, the applicant has been unable to supply EDA meeting these specifications. In their own test reports submitted, Balaji

*NON-CONFIDENTIAL*

- admitted that while they could meet other parameters, their EDA had a water content of 0.28%, exceeding Indorama's required level.
- iv. Hyosung India Pvt Ltd. has requested exclusion of product under consideration for the manufacture of Elastomeric Filament Yarn on the ground that export price competitiveness of Elastomeric Filament Yarn producers will be affected.
  - v. Authority has previously recognized similar specialized raw material requirements for spandex manufacturers in the Mid-Term Review of Dimethylacetamide (DMAC) from China PR and Turkey (14.10.2020), where product exclusions were granted based on actual user needs.
  - vi. DGTR has also routinely allowed exclusions for bona fide users, such as in the initiation notification dated 29.09.2025 in the case of "Cold Rolled Flat Products of Stainless Steel 300 and 400 Series," where certain widths were excluded for specific applications.
  - vii. Should the applicant oppose this exclusion, the Authority may require them to provide an undertaking confirming their ability to supply ethylene di amine of the required specification. If they are unable to do so, the Authority should waive the one-year cooling-off period under the relevant Trade Notice to allow imports without restriction.

**C.2 Submission by the applicant**

5. The applicant has made the following submissions with regard to the product under consideration and like article:
  - i. The product under consideration is 'Ethylene Diamine' and is also known as 'EDA'.
  - ii. The product under consideration is a chemical with two reactive amine groups, making it an essential ingredient in various industrial processes. It is primarily used in the production of chemicals such as specialty compounds, fungicides, agrochemicals, coatings, and polymers. The product is widely utilized in industries such as agrochemicals, pharmaceuticals, and etc.
  - iii. There is no known difference in the like article produced by the applicant and the imported product.
  - iv. The reliance of the other interested parties on anti-dumping investigation on imports of Dimethylacetamide (DMAC) from China PR and Turkey and Cold Rolled Flat Products of Stainless Steel are incorrect. In both instances, product exclusions were granted only where users furnished clear, verifiable, and demonstrable evidence of functional non-substitutability, supported by testing and certification. No such evidence exists in the present case.
  - v. On the submission that the applicant is unable to supply the product based on the specification, the domestic industry has submitted that the specification sheet relied on by the users are outdated. The domestic industry has undertaken significant research and development efforts, after 2020-21 to enhance the product in order to meet the technical requirements, and the high purity ethylene di amine is now being supplied to other producers of spandex. As regards relying HPLC (High Performance Liquid Chromatography) test report, the domestic industry has submitted that HPLC test report relied by the users were never shared with them despite request.
  - vi. On the request for the user-based exclusion, it has been submitted that such request is unwarranted as the domestic industry is capable of producing and supplying EDA meeting the requirements provided that Indorama places order. The domestic industry is supplying the product to the other Spandex users.

## NON-CONFIDENTIAL

- vii. A comparison of specifications would show that the domestic industry's product meets all required parameters. Moreover, specifications can be customized to meet customer requirements without additional machinery, using the same plant. If required, the domestic industry is willing to provide an undertaking to the Authority.

### C.3 Examination by the Authority

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

*“3. The product under consideration (PUC) in the present investigation is 'Ethylene Diamine', abbreviated as “EDA”. The product is a clear colour less liquid. It has a freezing point at 11 'C and a boiling point of 117 'C.*

*EDA is a chemical with two reactive amine groups, making it an essential ingredient in various industrial processes. EDA is primarily used in the production of chemicals such as specialty compounds, fungicides, agrochemicals, coatings, and polymers. Further, the product is widely utilized in industries such as agrochemicals, pharmaceuticals, etc.*

*EDA is classified under Chapter 29 viz., “Organic chemicals” of the Customs Tariff Act, 1975 under sub-heading 2921 21 of the tariff classification. The applicant has stated that EDA is imported under the HS code 2921 21 00. The customs classification is indicative only and is not binding on the scope of the product under consideration.*

7. With regards to the exclusion of the ethylene diamine used in production of Spandex Yarn, the domestic industry has submitted that it has undertaken significant research and development to enhance the product quality. The domestic industry has admitted that while it could not meet specifications in past, it can now supply the product as per the requirements of the downstream industry. The domestic industry has also submitted that it has supplied EDA to other spandex producers, and the product meets all the technical requirements of the user industry. The specifications of the product can be modified based on the customer requirements. No new machine is required, and the entire process can be undertaken at the same plant. The domestic industry has also provided technical certificate of analysis which shows that it can provide the domestic like product with required specifications. Only differences in one of the technical parameters alone do not suffice that the two products are non-substitutable when the domestic industry has itself sold the product to other producers of Spandex. The interested parties claim of exclusion are purely based on the ground of water absorption. However, the Authority notes that the domestic industry has adduced sufficient evidence that it produces the product under consideration that can be used in the manufacturing of Spandex Yarn and the product supplied by the domestic industry is a like article to the imported product. In view of the same, it is not found appropriate to grant any end user-based exemption as well.
8. In view of the foregoing, the Authority confirms the scope of the product under consideration as defined at the stage of initiation, which is reproduced below.

The product under consideration in the present investigation is 'Ethylene Diamine' also known as 'EDA'

## NON-CONFIDENTIAL

9. The manufacturing process of the product under consideration includes the reaction of mono ethanolamine and ammonia under the hydrogen atmosphere in a catalyst at a pressure of around 150 to 200 Kg/Cm<sup>2</sup> and temperature between 150 to 225 degrees centigrade. This is converted to a mixture of ethylene diamine, diethylene triamine, piperzine, amino ethyl piperzine, hydroxyl ethyl piperzine and amino ethyl ethanolamine. The reaction occurs in a continuous flow reactor. The reaction mixture obtained from the reactors are then subjected to a series of distillations for recovery of the products. The excess raw materials are recycled back to the reaction stage for conversion of desired products.
10. The product under consideration is classified under Chapter 29 of the Customs Tariff, under the heading "Organic Chemicals". Chapter 29 of the Customs Tariff Act, 1975 under the HS code 2921 21 00. The Authority has considered the customs classification as indicative only and not binding on the scope of the subject investigation. There are no restrictions on the import of the product under consideration in India as it falls under open general license. The basic customs duty applicable to product under consideration is 7.5%. The prescribed unit of measurement for the product under consideration is metric tons (MT), and the same has been adopted for this investigation.
11. Rule 2(d) of the Rules provides the definition of like article as under:

*"like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation."*
12. The Authority notes that from the definitions cited above, it flows that for two articles to be considered like, it is not necessary for them to be identical in all respects. If two articles have closely resembling characteristics, such resemblance is sufficient for the articles to be considered alike. For determining whether two articles have closely resembling characteristics, the Authority considers technical and commercial substitutability of the products as the relevant tests. Two products may look different in terms of technology of production, design, style, quality, etc., yet they could be considered alike for the purpose of investigation as long as they are functionally substitutable and replaceable in the market, due to similar end use and consumer preference.
13. The Authority notes that there is no known difference between the product under consideration exported from the subject countries and the like article supplied by the domestic industry. The product under consideration produced by the domestic industry and imported from the subject countries are comparable in terms of characteristics such as physical & chemical characteristics. Consumers are using domestic material and imported material interchangeably and the exporter and the domestic industry have sold the same product to same set of customers. The Authority therefore hold that the product produced by the domestic industry is a like article to the imported product.
14. The Authority notified the scope of the product under consideration and the PCN methodology in the notice of initiation. The interested parties were asked to provide their comments on the PUC-PCN methodology, if any, within 15 days from the date of initiation of this investigation.

**NON-CONFIDENTIAL**

15. The Authority considered the comments of the interested parties on the scope of the product under consideration and the PCN methodology. However, the Authority was of the opinion that there was no sufficient ground for any exclusions or to make PCN in the present investigation. Accordingly, the scope of the product under consideration and the PCN methodology for the purpose of filing of response was notified as same as notified in the initiation notification dated 25th March, 2025.

**D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING****D.1 Submission by opposing interested parties**

16. The opposing interested parties have made the following submissions with regard to the scope of the domestic industry and its standing.
- i. The applicant has claimed the existence of another domestic producer but did not disclose its name or production details, raising serious doubts about the accuracy of its standing claim.

**D.2 Submission by the applicant**

17. The applicant has made the following submissions with regard to the scope of the domestic industry and its standing:
- i. The applicant is the sole producer in India of the product under consideration, Ethylene Diamine (EDA).
  - ii. Other than the applicant, Diamines & Chemicals Limited is another producer of the like article with the capacity of 2500 MT. However, it is the applicant's understanding that the producer is not undertaking any production.
  - iii. The applicant has not imported the product under consideration in the period of investigation from any of the subject countries.
  - iv. The applicant is not related to any exporters in the subject countries or importers of the product under consideration into India.

**D.3 Examination by the Authority**

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

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

19. The application has been filed by Balaji Speciality Chemicals Limited. As per the information on record, there is one other producer of the subject goods in India viz., Diamines & Chemicals Limited. The Authority had sent communication to Diamines & Chemicals Limited before the initiation of this investigation. However, the producer did not respond to it. The domestic industry has claimed that the producer was not producing the product under consideration during the injury period.
20. The Authority has examined the DG System transaction wise data, and it is seen that Balaji Speciality Chemicals Limited has not imported the product under consideration in

**NON-CONFIDENTIAL**

the period of investigation. It is also seen that Balaji Speciality Chemicals Limited is not related to any exporters of the product under consideration from the subject countries or any importer in India.

21. Based on the information on record, the Authority has determined the Indian production and share of Balaji Speciality Chemicals Limited in Indian production for the period of investigation as follows:

<b>SN</b>	<b>Particulars</b>	<b>Production (MT)</b>	<b>Share (%)</b>
1	Production of Applicant	***	100
2	Total/gross Indian production	***	100

22. Balaji Speciality Chemicals Limited is an eligible domestic industry within the meaning of Rule 2(b) and satisfies the criteria of standing in terms of Rule 5(3) of the Rules. Hence, the Authority holds that Balaji Speciality Chemicals Limited constitutes domestic industry within the meaning of the Rules.

### **E. CONFIDENTIALITY AND MISCELLANEOUS SUBMISSIONS**

#### **E.1 Submission by opposing interested parties**

23. The opposing interested parties have made the following miscellaneous submissions:
- i. All confidentiality claims made in their responses are consistent with Rule 7 of the Anti-Dumping Rules and the Trade Notice No. 10/2018 dated 27th September 2018 issued by the Authority as these have been made only for proprietary business information, disclosure of which would result in significant commercial harm and may adversely affect the competitive position of the company.
  - ii. Disclosure of list of products is not a requirement under Annexure II of Trade notice No. 10/2018. However, the list of products is available at the company website.
  - iii. The companies have duly disclosed the names of all related parties involved in the production of product under consideration.
  - iv. The disclosure of information regarding financial and accounting system is not available in the public domain and the same is not required to be disclosed according to Annexure II of Trade Notice.
  - v. Sadara Chemical Company submits that the manufacturing process of the product under consideration is highly proprietary and forms a core component of the producer's know-how and trade secrets. Still the company provided the non-confidential summary of the production process.
  - vi. With regard to the claim of non-disclosure of adjustments to the export price, the adjustments claimed by the opposing parties in calculating the export price are transparently disclosed in the non-confidential version of Appendix 3A/3B of the questionnaire response. The adjustments pertain to company-specific commercial data, including financial and transactional details that are confidential in nature. While the full methodology and quantum of adjustments have been kept confidential, the type of adjustment have been adequately summarized in the non-confidential version in the appendices.
  - vii. Applicant failed to adhere to Trade Notice 10/2018. Failed to disclose NIP and net sales realization.

## NON-CONFIDENTIAL

- viii. Reliance placed on Exotic Décor Pvt. Ltd. judgment and Trade Notice No. 07/2018, to request access to import data in the same format used by the Authority to ensure transparency and due process.

**E.2 Submission by the applicant**

24. The applicant has made the following miscellaneous submissions:
- i. Excessive confidentiality is claimed by the opposing parties concerning the production process, list of products produced, list of related companies and the financial and accounting system used by the companies. Related parties should be disclosed in accordance with trade notice.
  - ii. The exports have not provided the adjustments claimed for the calculation of normal value and net export price. Information on list of adjustments in the normal value and export price is ultimately disclosed by the Authority in the final findings. As such, the producers/exporters have submitted information that will eventually be made public. Therefore, the claim of confidentiality in this regard is completely baseless.
  - iii. The distribution channels have been kept completely confidential.
  - iv. Related importers have claimed entire exhibits and annexures as confidential without even disclosing trends, thereby preventing the applicant's ability to comment meaningfully.
  - v. The purchase of the product under consideration, total sales turnover, details of utilization of PUC, cost breakup and production has not been disclosed by Cardolite and Indorama. Further, production process is also claimed confidential by Indorama.
  - vi. The other interested parties alleged that the domestic industry failed to adhere to the trade notice 10/2018, however, the domestic industry has disclosed all relevant information, including the NIP (in range) and net sales realization (in indexed/trend form), in the non-confidential version of the application.

**E.3 Examination by the Authority**

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

*“7. Confidential Information:*

*(1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, sub-rule (4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub -rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.*

*(2) The designated authority may require the interested parties providing information on confidential basis to furnish nonconfidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarisation is not possible.*

**NON-CONFIDENTIAL**

*(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.”*

26. 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 indexed basis. Wherever information pertains to single year, the same has been disclosed in range, if such disclosure does not compromise confidentiality of information. The interested parties have claimed confidentiality in various supporting documents & information, wherever such information has not been publicly disclosed by them. In those cases where an interested party has not publicly disclosed its annual reports and financial statements, the same has been claimed confidential. Wherever the interested parties have claimed a document as confidential, it is noted that these interested parties have claimed that these documents are not susceptible of summary and have given reasons why summarization is not possible. The interested parties claimed that the domestic industry did not disclose range of non-injurious price. It is noted that the same information was subsequently disclosed.
27. The Authority has consistently allowed interested parties to claim confidentiality on such information and documents provided by domestic industries, foreign producers and other interested parties in all investigations. The Authority notes that all the interested parties have claimed their business-related sensitive information as confidential. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered confidential and not disclosed to the other interested parties.
28. 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 DG System is only for the purpose of quantifying volume and value of imports, and the same has been appropriately disclosed in the present disclosure statement. The interested parties have had enough opportunity to defend their interests on the information relevant to the investigation and determination.

**F. ASSESSMENT OF DUMPING AND DETERMINATION OF NORMAL VALUE,  
EXPORT PRICE AND DUMPING MARGIN**

**F.1 Submission by other interested parties**

*NON-CONFIDENTIAL*

29. The opposing interested parties have made the following submissions with regard to assessment of dumping and determination of normal value, export price and dumping margin.
- i. Sadara Chemical Company is a cooperating producer and exporter of the subject goods from Saudi Arabia, exporting to India through its related traders. It is claimed that the dumping margin must be determined based on actual records and information provided by cooperating producers/exporters.
  - ii. The alleged dumping margin for Saudi Arabia (75-85%) is grossly inflated and lacks a credible basis because it is derived from a flawed Normal Value calculation.
  - iii. The Normal Value claimed by the domestic industry is artificially high because it is benchmarked against its own inefficient and uncompetitive cost structure. The domestic industry's costs are inflated due to several structural disadvantages: it is a new entrant (commenced production in 2019) without economies of scale; it is not vertically integrated and depends on imported raw material (MEA); and its plant's location in Solapur incurs significant inland logistics costs. This cost structure is not representative of an efficient global producer like Sadara.
  - iv. The dumping margin must be calculated based on the actual, verified data concerning normal value and export price provided by the Respondents in their questionnaire responses.

**F.2 Submission by the applicant**

30. The applicant has made the following submissions with regard to assessment of dumping and determination of normal value, export price and dumping margin:
- i. China PR should be considered a non-market economy.
  - ii. Should it be contended that Article 15(a)(ii) of China PR's Accession Protocol has already ceased and therefore the same cannot be applied to the present case, Article 15(a)(i) is still applicable and must be considered for determination of normal value for China PR.
  - iii. The obligation under 15(a)(i) of China PR's Accession Protocol require the criterion stipulated in para 8 of Annexure I of the Rules to be satisfied by the exporter.
  - iv. Since Chinese producers are not entitled to market economy treatment, the Designated Authority should follow para 7 of Annexure I of the Rules for the determination of Normal Value.
  - v. The applicant could not determine normal value based on actual selling price or on cost of production in a market economy in third country since no verifiable evidence of the actual selling price was publicly available.

*NON-CONFIDENTIAL*

- vi. The applicant could not determine normal value based on the price from a third country to another country, including India since while the subject good has a dedicated code in India, it does not have a dedicated code globally.
- vii. The applicant had determined normal value according to 'any other reasonable basis' on the basis of its export price to other countries since these exports are sufficient in volume and profitable in nature and on the basis of cost of production of the applicant including addition of reasonable profits. For determining cost of production, international price of raw materials was considered.
- viii. If the Authority considers that all the provisions of Article 15 of China's Accession Protocol are not available any longer and the normal value is required to be determined in accordance with the provisions of Para 1-6 of the Rules, the Chinese domestic costs and prices nevertheless cannot be accepted unless multiple standards are passed by the Chinese exporters, namely (i) the absence of state interference in the determination of costs and prices, (ii) the prices of major inputs substantially reflect market values, (iii) the exporters books are audited in line with Chinese Generally Accepted Accounting Principles (GAAP) and international accounting standards and (iii) the appropriateness of costs due to organizational structure of the exporter.
- ix. Even after taking due efforts, applicant could not find any evidence with regard to actual transaction price of producers in European Union.
- x. Applicant has considered the intra EU prices, which is the price at which the product is traded for consumption in European Union to determine the normal value.
- xi. There is no evidence publicly available with regard to actual transaction price of producers in Taiwan. As the product has a dedicated code in the country, the applicant has determined the normal value on the basis of Imports into Taiwan.
- xii. Even for Saudi Arabia, there is no evidence publicly available with regard to actual transaction price of producers or actual cost of production in the country. Though the product has a dedicated code in the country, in the absence of any published data the applicant has determined the normal value on the basis of cost of production of applicant with reasonable additions of margins.
- xiii. The dumping margins and injury margins of the subject countries are not only above de-minimus but unprecedented significant in the period of investigation.

**F.3 Examination by the Authority**

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

NON-CONFIDENTIAL

SN	Name of interested party
a.	M/s BASF Antwerpen NV, Belgium
b.	M/s BASF EOOD, Bulgaria
c.	M/s BASF Espanola SLU, Spain
d.	M/s BASF France S.A.S., France
e.	M/s BASF Hong Kong Ltd., Hongkong
f.	M/s BASF Hungaria Kft., Hungary
g.	M/s BASF-YPC Company Limited, China PR
h.	M/s BASF Ireland DAC, Ireland
i.	M/s BASF Italia S.p.A., Italy
j.	M/s BASF Nederland B.V., Netherlands
k.	M/s BASF SE, Germany
l.	M/s BASF spol s.r.o., Czech Republic
m.	M/s BASF India Limited
n.	M/s Dow Chemical Pacific (Singapore) Private Limited, Dubai Branch, UAE
o.	M/s Dow Saudi Arabia Product Marketing Arabia B.V. Dubai Branch, UAE
p.	M/s Dow Chemical International Private Ltd, Dubai Branch, UAE
q.	M/s Sadara Chemical Company, Kingdom of Saudi Arabia

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

#### **F.4 Determination of normal value and export price**

##### **a. Normal value and export price from China PR.**

- **Normal value**

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

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

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

*(i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the*

## NON-CONFIDENTIAL

*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."*

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

## NON-CONFIDENTIAL

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

*“7. In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner [keeping in view the level of development of the country concerned and the product in question and due account shall be taken of any reliable information made available at the time of the selection. Account shall also be taken within time limits; where appropriate, of the investigation if any made in 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.”*

36. Para 7 lays down a hierarchy for the determination of normal value and provides that normal value shall be determined on the basis of price or constructed value in a market economy third country, or the price from such a third country to any other country, including India, or where it is not possible, on any reasonable basis, including the price actually paid or payable in India for the like article, duly adjusted, if necessary, to include a reasonable profit margin. Thus, the Authority notes that the normal value is required to be determined having regard to the various sequential alternatives provided under Para 7.
37. The Authority also notes the existing jurisprudence on constructing the normal value in the case of a non-market economy is contained in the various judgements. These judgements provide directions regarding the implementation of Para 7 of Annexure I of the Rules concerning the choice of an appropriate option, and associated obligations thereof.
38. The Authority notes that none of the interested parties has provided any information regarding the domestic price or constructed value of the product in an appropriate market-economy third country. The Authority further notes that it is required to select an appropriate country on the basis of the information and evidence placed on record by the interested parties. It has been claimed that the product under consideration does not have a dedicated code in most countries. Since the product does not have a dedicated code in most countries, the Authority has not determined the normal value on this basis.
39. The Authority has determined normal value for China PR based on price actually paid or payable in India for the like article. The normal value has been determined considering the cost of production in India, duly adjusted, after addition for the selling, general &

**NON-CONFIDENTIAL**

administrative expenses, and the reasonable profits. The constructed normal value so determined is mentioned in the dumping margin table.

- **Export price**

**BASF-YPC Company Limited**

40. BASF-YPC Company Limited is a producer of the product under consideration and has reported \*\*\* MT as exports of the product under consideration to India during the period of investigation. The producer has claimed that it has indirectly exported the product to India through related trader to related Indian customer, which resold the same to unrelated Indian customers. The producer has claimed adjustment on account of ocean freight, inland transportation etc.
41. The Authority has undertaken desk verification and examined the claims made by the respondent. The adjustments claimed by the respondent have been allowed after desk verification. The net export price so determined is given below in the dumping margin table.

**Non-cooperative producers of China PR**

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

**b. Normal value and export price from European Union****BASF Antwerpen NV and its related traders (called as BASF Group)**

- **Normal value**

43. BASF Antwerpen NV is a producer of the subject goods in European Union. The producer along with its related exporters and importer have submitted Exporter's Questionnaire response furnishing the required information. The Authority notes that the producer/exporter has reported domestic sales of \*\*\* MT in the period of investigation to related customers, which resold the same to unrelated customers or used captive.
44. In order to determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to cost of production of subject goods. In case profit making transactions are more than 80% then the authority has considered all the transactions in the domestic market for the determination of the normal value. Where the profitable transactions are less than 80%, only profitable domestic sales are taken into consideration for the determination of normal value. Based on the ordinary course of trade test, it is noted that the subject producer has not been able to qualify the ordinary course of trade test as \*\*\* of the sales are profit making, and therefore, the Authority has considered it appropriate to determine normal value in the present case on the basis of profitable transactions.

*NON-CONFIDENTIAL*

45. The Authority has undertaken desk verification and examined the claims made by the respondent including adjustments related to inland freight, ocean freight etc. The claims made and as verified after desk verification have been accepted. The normal value so determined is given below in the dumping margin table.

- **Export price**

46. BASF Antwerpen NV is a producer of the product under consideration in European Union. BASF Antwerpen NV has exported the product directly to the related importer and through its related exporters namely BASF Belgium Coordination Center CommV, BASF EOOD, BASF Espanola SLU, BASF Oy, BASF France S.A.S., BASF Hungaria Kft., BASF Ireland DAC, BASF Italia S.p.A., BASF Nederland B.V., BASF S.R.L., BASF spol s.r.o., BASF SE, BASF Hong Kong Ltd. The related exporters further resold the product to their related importer namely BASF India Limited, who in turn sold the subject goods to unrelated customers in India.

47. BASF Antwerpen NV is a producer of the product under consideration and has filed a questionnaire response. The producer has reported \*\*\* MT as exports of the product under consideration to India during the period of investigation. The producer has claimed that it has indirectly exported the product to India through related traders to related Indian customer, which resold the same to unrelated Indian customers. The producer has claimed adjustment on account of ocean freight, inland transportation etc.

48. The Authority has undertaken desk verification and examined the claims made by the respondent. The adjustments claimed by the respondent have been allowed after desk verification. The net export price so determined is given below in the dumping margin table.

**Non-cooperative producers of European Union.**

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

**c. Normal value and export price from Saudi Arabia**

**Sadara Chemical Company, Dow Chemical Pacific (Singapore) Private Limited, Dubai Branch, Dow Saudi Arabia Product Marketing Arabia B.V., Dow Chemical International Private Ltd**

- **Normal value**

50. Sadara Chemical Company (“Sadara”) is the producer of subject goods in Saudi Arabia. Sadara submitted its response in the prescribed exporter questionnaire format furnishing the requisite information. The Authority notes that during the POI, Sadara made only one domestic sale transaction of the subject goods (off grade) of \*\*\* MT, to an unrelated customer in the domestic market. As this one domestic sale transaction was of off-grade quality and not in sufficient quantity, the same cannot be considered for the purpose of determination of the normal value.

*NON-CONFIDENTIAL*

51. In view of the above, the Authority has constructed the normal value based on the cost of production of the product under investigation as reported by Sadara in Appendix-8 and duly verified during the course of investigation, with an addition of reasonable profit margin. The normal value so determined is mentioned in the dumping margin table.

• **Export price**

52. Sadara Chemical Company is a producer of the product under consideration in Saudi Arabia. During the POI, Sadara has sold the subject goods to its related exporter, Dow Saudi Arabia Product Marketing Arabia B.V (“Dow Marketing”). Dow Marketing, in turn, sold the subject goods to another related trader, Dow Chemical Pacific (Singapore) Private Limited, Dubai Branch (“Dow Singapore”). Dow Singapore subsequently sold the subject goods to related importer in India, Dow Chemical International Pvt Ltd (“DCIPL India”). DCIPL India finally sold the subject goods to unrelated customers in India.

53. One export transaction has also been made by Dow Marketing to Dow Chemical International Pvt Ltd, Dubai Branch (“DCIPL Dubai”). DCIPL Dubai has subsequently sold this one transaction of the subject goods to unrelated customer in India. All the 5 entities, Sadara, Dow Marketing, Dow Singapore, DCIPL Dubai and DCIPL India have participated in the present investigation and provided the relevant information in the prescribed questionnaire format.

54. The Authority notes from the responses submitted by Dow Marketing, Dow Singapore, and DCIPL Dubai that the subject goods manufactured and exported by Sadara were resold at a profit by the Dow Group as a whole during the POI.

55. Sadara claimed adjustments towards ocean freight, insurance, inland transportation, port-related expenses, credit cost and marketing fee. These adjustments have been examined and allowed by the Authority after due verification.

56. The ex-factory export price so determined has been considered for the purpose of calculating the dumping margin and is reflected in the Dumping margin table below.

**Non-cooperative producers of Saudi Arabia.**

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

**d. Normal value and export price from Taiwan.**

58. As none of the producers/exporters have participated in the subject investigation, the normal value and export price for all producers / exporters from Taiwan have been determined based on the best available in terms of Rule 6(8) of Anti-Dumping Rules, 1995.

## NON-CONFIDENTIAL

**e. Dumping margin**

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

SN	Particulars	CNV/ NV USD/MT	NEP USD/MT	Dumping margin USD/MT	Dumping margin %	Dumping margin range
<b>A</b>	<b>China</b>					
1	BASF-YPC Company Limited	***	***	***	***	20-30
2	Any other producer	***	***	***	***	40-50
<b>B</b>	<b>European Union</b>					
1	BASF Antwerpen NV	***	***	***	***	80-90
2	Any other producer	***	***	***	***	120-130
<b>C</b>	<b>Saudi Arabia</b>					
1	Sadara Chemical Company	***	***	***	***	10-20
2	Any other producer	***	***	***	***	20-30
<b>D</b>	<b>Taiwan</b>					
1	Any producer	***	***	***	***	30-40

**G. ASSESSMENT OF INJURY AND CAUSAL LINK****G.1 Submission by other interested parties**

60. The opposing interested parties have made the following submissions with regard to assessment of injury and causal link:
- i. Imports have increased only to bridge the demand-supply gap, while the applicant's reduced production and sales is due to their operational inefficiencies.
  - ii. The downstream users rely on imports primarily due to domestic supply shortages and not due to price preference. The applicant's low-capacity utilization and intermittent production suspensions during the period of investigation has left users with no choice but to import the product under consideration from the other countries.
  - iii. EDA is a standardized commodity whose price movements mirror fluctuations in key feedstocks such as Ammonia and Monoethanolamine (MEA). The periodic price gaps between imported and domestic products are market-driven and do not constitute undercutting.
  - iv. The applicant's higher cost structure is due to its own inefficiencies and external raw material dependence. Lower import prices reflect global producers' backward integration, not injurious pricing.
  - v. The decline in prices during 2023-24 and the POI coincided with a fall in the decline in international prices of product under consideration.
  - vi. Global supply and demand drive product under consideration prices. Prices increased in 2021-22 and 2022-23 due to plant closures in China and EU and fell in 2023-24 when production normalized. The applicant's price decline matches this global trend, not impacted by the imports.

*NON-CONFIDENTIAL*

- vii. The applicant acknowledged that the increase in production in 2022-23 was driven by higher exports, and the subsequent drop in production reflects a strategic choice rather than any structural inability to produce.
- viii. The applicant has also referred to a notional "loss of revenue" at fair prices. This calculation is hypothetical and not supported by detailed workings or verifiable data.
- ix. The landed price of imports shows significant variation among countries, with nearly Rs. 17,000 per MT difference between the highest and lowest prices, indicating that imports do not compete at identical price levels.
- x. The applicant's capacity utilization decreased sharply, which increased per-unit fixed cost.
- xi. Raw material prices changed substantially during the period, altering cost margins.
- xii. The 2023-24 Chairman's Address highlighted challenges such as geopolitical tensions, supply chain disruptions, and climate risks, without mentioning dumping as a major concern.
- xiii. The applicant is entirely dependent on imported Monoethanolamine (MEA), which has highly volatile prices. This dependence and price fluctuation have substantially increased the applicant's input and inventory costs. Unlike global producers who are backward integrated, the applicant operates a non-integrated plant, resulting in a significant cost disadvantage.
- xiv. The applicant's facility in Solapur, Maharashtra, is far from ports and petrochemical hubs, leading to high logistics and inland freight costs that inflate production costs independent of imports.
- xv. The applicant began commercial production only in June 2019. The injury period coincides with its initial years of operation, marked by start-up inefficiencies such as process stabilization, workforce training, and supply chain establishment.
- xvi. Higher ethylene di amine costs would affect investment and innovation in the agrochemical sector, weakening India's global competitiveness.
- xvii. In the present case, non-subject countries Japan, USA, and Korea RP have individual shares below 3%, but their combined share is 7.28%, exceeding the threshold. These countries should therefore have been included in the investigation.
- xviii. Excluding these countries constitutes discrimination, contravenes WTO principles, and undermines the effectiveness of any anti-dumping measures.
- xix. The principal source of any alleged injury to the applicant is imports from China PR, not from Saudi Arabia.
- xx. The injury analysis must consider all relevant economic factors, including export performance of the applicant. The applicant export volumes have declined during the period of investigation. The export prices also declined by 35%, indicating severe pressure in international markets.
- xxi. Salaries and wages during the period of investigation are over 2.4 times higher than in 2021-22.
- xxii. Capital employed has increased by 13% over the same period, even though no capacity expansion has occurred.
- xxiii. The imposing anti-dumping duties on the subject countries will benefit only non-subject countries and provide no meaningful relief to the applicant. A significant gap exists between domestic demand and supply, making imports essential.
- xxiv. Prices from non-subject countries such as Japan, the USA, Korea RP, Singapore, and the UAE are comparable or even more competitive, meaning that any restriction on subject-country imports will simply shift the source of imports without alleviating price pressure.

**NON-CONFIDENTIAL**

- xxv. The applicant will continue to face the same competitive challenges regardless of duties.
- xxvi. The domestic industry's claim of suffering injury is unsubstantiated and based on an exaggerated injury margin (claimed to be 50-60% for Saudi Arabia) derived from a flawed premise.
- xxvii. The entire injury analysis relies on a Non-Injurious Price (NIP) that is unreasonable and artificially inflated. The claimed NIP is significantly higher than the landed price of imports from every single exporting country, including all non-subject countries.
- xxviii. This proves that the domestic industry's cost of production is inherently unviable and that its financial strain is a consequence of its own structural inefficiencies, not fair import competition.
- xxix. Furthermore, any injury is self-inflicted. The DI's expenditure on salaries and wages surged by nearly 2.5 times and its capital employed increased by 13% in the POI compared to 2021-22, all while its production capacity remained unchanged and production declined. This disproportionate and questionable escalation in costs is a primary cause of its financial strain and must be examined.
- xxx. There is no causal link between imports from Saudi Arabia and the alleged injury. The volume of imports from Saudi Arabia has declined by more than 20% during the injury period, from 13,587 MT in 2021-22 to 10,773 MT in the POI.
- xxxi. The market share of imports from Saudi Arabia in total Indian imports has also sharply declined from 42.01% in 2021-22 to 25.27% in the POI.
- xxxii. The actual cause of injury is the massive surge in imports from China PR, which grew over seven-fold during the injury period and now constitutes the largest source of imports (36.50% share). The entire increase in subject country imports is attributable solely to China PR.
- xxxiii. There is a significant and growing demand-supply gap in India for EDA. The domestic industry's capacity is insufficient to meet even half the demand, making imports essential for downstream industries.
- xxxiv. The significant decline in the domestic industry's own export sales volumes and prices points towards declining global prices as the reason for price pressure, not dumped imports from Saudi Arabia.

**G.2 Submission by the applicant**

- 61. The applicant has made the following submissions with regard to assessment of injury and causal link:
  - i. Producers in China have installed capacity exceeding its domestic demand. This excess production capacity is more than the entire demand of the Indian market, indicating that it has been developed for export.
  - ii. The pattern of excessive and aggressive imports from both China and Taiwan clearly shows that their business model to run a business is to capture the market of other country by unfair trade practices and their surplus capacities will be diverted to India in case of non-imposition of anti-dumping duties.
  - iii. The legal requirements for cumulative assessment are met in the present case. As none of the opposing parties have disputed the cumulative assessment, Authority is requested to consider the cumulative assessment of the effects of imports.
  - iv. There is significant increase in the volume of dumped imports of the product under consideration from the subject countries. The imports from subject countries have increased more than the increase in demand over the injury period.

*NON-CONFIDENTIAL*

- v. The import price has not moved in line with the changes in the cost of production. The exporters have reduced their prices more than the reduction in cost to capture the Indian market.
- vi. The domestic industry is unable to operate optimally inspite of having installed capacity sufficient to cater 60% of domestic demand due to influx of low-priced imports.
- vii. The export price in other countries is higher than the prices in the Indian market. The producers from the subject countries are engaged in selective dumping and offers low prices in the Indian market when compared to other export markets.
- viii. Ethylene di amine prices in the Indian market are neither reflective of the import price of MEA into India nor global MEA prices. The domestic industry has also established that the prices are selectively lower in the Indian market.
- ix. There is significant positive price undercutting as well as cost undercutting despite domestic industry selling at losses.
- x. Import price is even below the variable cost of the domestic industry. The dumped imports are depressing the prices of the domestic industry.
- xi. There is significant unutilized capacity with the domestic industry.
- xii. Capacity utilization of the domestic industry declined during the period of investigation. The production and domestic sales of the domestic industry have declined consistently over the injury period.
- xiii. The decline in selling price exceeded the decline in cost of sales leading to severe price suppression and losses. This is due to dumping and resultant injury and not due to internal injury.
- xiv. Significant dumping from the subject countries has prevented domestic industry to break even. With the contribution being negative, the domestic industry is not even in a position to recover its fixed costs and therefore, there is no incentive to produce the product.
- xv. The domestic industry has been forced to intermittently suspend its production due to low priced imports from the subject countries.
- xvi. The inventories of the domestic industry increased significantly.
- xvii. Domestic industry has suffered significant losses. The cash profits and return on investments declined.
- xviii. The profitability of the domestic industry declined with the increasing dumped imports from the subject countries.
- xix. The overall growth is negatively impacted by the dumped imports from the subject countries affecting domestic industry's ability to raise capital investment.
- xx. The export price of the domestic industry is higher than the domestic price and export profitability establishes the competitiveness of the domestic industry.
- xxi. The domestic industry's cost structure is fully reflective of prevailing market conditions and input prices in India. While import prices of raw material declined during the injury period, the import price of ethylene di amine fell more than twice the decline in the cost of inputs.
- xxii. The domestic industry was profitable when the import price was high. The abnormal fall in import prices, far beyond cost, clearly demonstrates injurious pricing by foreign producers rather than any internal inefficiency of the domestic industry.
- xxiii. On the submission that Japan, USA, and Korea RP individually have shares below 3%, their combined share exceeds the threshold. The imports from Japan and Korea RP are priced higher and account for only [4.5%] of demand, compared to Saudi

## NON-CONFIDENTIAL

- Arabia's [21%], indicating that injury is attributable to the subject countries and not the non-subject countries.
- xxiv. While downstream industries have claimed they rely on imports due to supply shortages, the domestic industry has maintained sufficient capacity to meet a major portion of demand. Users have acknowledged that imports were procured primarily due to significantly lower prices offered by foreign producers. These low-priced imports often used by customers as a negotiation tool to pressure the domestic industry to reduce prices below sustainable levels.
- xxv. On the submission that the domestic industry's price movement does not align with global trends, it is submitted that during the injury period the landed price of imports declined sharply by Rs 1,46,778 per MT, while MEA import prices fell by only Rs 25,338 per MT, forcing the domestic industry to reduce its prices and incur losses.
- xxvi. It is alleged that the domestic industry's higher cost structure is due to inefficiencies and lack of backward integration. However, the cost structure reflects prevailing market conditions and input prices in India. If the high-cost structure were a cause of injury, the domestic industry would have incurred losses even before the period of investigation.
- xxvii. On the submission that the "loss of revenue" is hypothetical, under anti-dumping rules, the adverse impact of dumped imports must be assessed based on actual and potential sales decline, and the law does not distinguish between sales volume and value.
- xxviii. During the period of investigation, the domestic industry incurred an actual loss of Rs [\*\*\*] crores, as actual sales were restricted Rs [\*\*\*] crores against potential sales of Rs [\*\*\*] crores at fair prices.
- xxix. On the submission that the injury to the domestic industry is due to high logistics and start-up costs, it is submitted that these conditions persisted throughout the injury period. These factors existed in earlier years, during which the domestic industry remained stable and profitable.
- xxx. In response to the claim that the annual report highlights other challenges affecting the domestic industry, it is submitted that the 2024-25 annual report clearly states that the domestic industry's performance was impacted due to dumped imports. Thus, the injury cannot be attributed to any other factor.
- xxxi. On the submission that the salaries and wages have increased and which are a cause of injury, salaries and wages during the period of investigation were lower than in 2023-24, when the domestic industry earned profits, therefore, the losses cannot be attributed solely to salaries and wages.
- xxxii. The submission that capacity employed increased despite no expansion is misplaced, as working capital is not solely dependent on the product under consideration. An increase in net fixed assets does not necessarily mean higher capacity, as it may relate to other essential components that do not enhance capacity. Both net fixed assets and working capital declined during the period of investigation for the product under consideration as a whole. Allocation between domestic and export operations is made based on sales value.

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

62. Rule 11 of Antidumping Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, "... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on the domestic producers of such articles...". In considering the effect of the dumped imports on prices, it is considered necessary to

*NON-CONFIDENTIAL*

examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Rules.

63. It has been claimed that the domestic industry is not backward integrated which is leading to high cost and the losses suffered by the domestic industry are due to absence of backward integration. The authority notes that the domestic industry was profitable in the year 2020-21 and 2021-22. Had the absence of backward integration been a factor affecting the performance of the domestic industry, the domestic industry would have suffered losses in past as well. The Authority notes the decision of the Appellate Body in European Union – Biodiesel (Argentina), wherein it was held that an Authority is not required to conduct a non-attribution analysis with respect to features that are inherent to an industry and have remained unchanged over the injury period. It has been found from the questionnaire response filed by the participating producers that the product has been exported into India at dumped prices. Similarly, the fact that the applicant's facility in Solapur, Maharashtra, is far from ports and petrochemical hubs, leading to high logistics and inland freight costs that inflate production costs does not justify losses in the period of investigation and profits in past. Therefore, the Authority does not consider that the claimed injury is due to the fact that the domestic industry is not backward integrated or due to the location.
64. With regard to the submission that the domestic industry's production has declined, leading to an increase in the cost of production and, consequently, injury, the Authority notes that the decline in production is itself a direct consequence of the dumping of the subject goods in the domestic market. When the domestic industry is experiencing adverse volume effects due to dumped imports, it would not be appropriate to attribute the resulting losses or increased costs to internal inefficiencies or reduced production alone. Such adverse volume effects are intrinsically linked to the presence of dumped imports, which have displaced domestic production and suppressed capacity utilisation. The Authority further takes note that the import prices of the subject goods were below the cost of production of the domestic industry, thereby aggravating the injury suffered. In view of the above, the Authority finds that the decline in production and the consequent increase in costs cannot be dissociated from the impact of dumped imports.
65. It has been contended that, in its annual report, the domestic industry attributed the injury suffered primarily to factors such as geopolitical tensions, supply chain disruptions, and climate-related risks, without identifying dumped imports as a significant cause of injury. The Authority observes that the interested parties have made selective references to the annual reports, upon examination of the domestic industry's Annual Report for the year 2024–25, it is evident that the domestic industry has also stated that its performance has been adversely affected due to dumped imports. In view of the above, the Authority finds that the contention of the interested parties is not substantiated and, therefore, does not merit acceptance.

## NON-CONFIDENTIAL

66. On the submission that the imports from Japan, Korea and United States of America cumulatively account for 7% share in total imports, the import data has been examined and it is seen that cumulative share of these imports is less than 6% of total imports.
67. On the submission that the salaries paid have increased which could have caused injury to the domestic industry, the Authority notes that the domestic industry's wages have increased till 2023-24 but has declined in the period of investigation. The salaries and wages in the period of investigation are lower than the year 2023-24 and the domestic industry has recorded higher losses in the period of investigation. The degree of the financial losses suffered by the domestic industry cannot be attributed to the wages and salaries alone.
68. Para (iii) of Annexure II of the Rules deals with cumulative analysis of imports. It reads as follows:
- (iii) In cases where imports of a product from more than one country are being simultaneously subjected to antidumping investigation, the designated authority will cumulatively assess the effect of such imports, only when it determines that, -*
- (a) the margin of dumping established in relation to the imports from each country is more than two per cent. expressed as percentage of export price and the volume of the imports from each country is three per cent. of the import of like article or where the export of individual countries is less than three per cent., the imports collectively accounts for more than seven per cent. of the import of like article; and*
- (b) a cumulative assessment of the effects of the imports is appropriate in light of the conditions of competition between the imported products and the conditions of competition between the imported products and the like domestic product*
69. In order to ascertain whether cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles, the following parameters have been examined: -
- a. Products supplied by different parties are like articles and are comparable in properties.
  - b. Domestically produced products and the imported products are interchangeable.
  - c. There is direct competition between the domestic product and the imported product and inter-se between the imported product.
  - d. Consumers are using domestic material and imported material interchangeably and the exporter and the domestic industry have sold the same product to same set of customers.
  - e. Import price from the subject countries have moved in tandem.
70. In view of the above, the Authority considers it appropriate to cumulatively assess the effects of dumped imports of the product under consideration from the subject countries on the domestic industry.

**G.3.1 Assessment of demand/apparent consumption**

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

## NON-CONFIDENTIAL

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Sales of domestic industry	MT	***	***	***	***
2	Trend	Indexed	100	95	90	66
3	Sale of the other Indian producer	MT	-	-	-	-
4	Trend	Indexed	-	-	-	-
5	Imports from subject countries	MT	24,304	19,729	27,583	36,207
6	Trend	Indexed	100	81	113	149
7	Imports from other countries	MT	1,545	952	1,682	2,302
8	Trend	Indexed	100	62	109	149
9	Demand/consumption	MT	***	***	***	***
10	Trend	Indexed	100	85	106	124

72. It is seen that demand declined in 2022-23 in comparison to 2021-22. Demand increased in 2023-24 and further increased in the period of investigation. The demand has increased over the injury period.

### **G.3.2 Volume effect of the dumped imports**

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Subject countries	MT	24,304	19,729	27,583	36,207
2	Other countries	MT	1,545	952	1,682	2,302
3	Imports from the subject country in relation to:					
a	India production	%	***	***	***	***
b	Trend	Indexed	100	63	152	236
c	Indian demand	%	***	***	***	***
d	Trend	Indexed	100	96	107	120
e	Total imports	%	94%	95%	94%	94%

74. Imports in relation to Indian production declined in 2022-23, however, increased in 2023-24. Imports further increased in the period of investigation. Similarly, the imports in

**NON-CONFIDENTIAL**

relation to Indian demand declined in 2022-23, but increased in 2023-24 and thereafter further increased in the period of investigation. It is seen that the imports in relation to production and demand have increased over the injury period. The Authority therefore considers that the increase in the imports was more than the increase in the demand in India.

75. Imports from subject countries in relation to total imports has remained at the same range during the injury period.

### **G.3.3 Price effect of the dumped imports**

76. With regard to the effect of the dumped imports on prices of the domestic industry, the impact on the prices of the domestic industry on account of the dumped imports from the subject country has been examined with reference to price undercutting, price suppression and price depression, if any. For the purpose of this analysis, the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with the landed price of imports of the subject goods from the subject country.

#### **a. Evolution of import price**

77. The table below shows the import price and the raw material price movement. The major raw material required in the production of the product under consideration is Monoethanol Amines and the domestic industry has provided information on the import prices of these products into India.

SN	Particulars	UOM	2021-22	2022-23	2023-24	POI
1	Monoethanol Amines	Rs/MT	1,23,463	1,48,801	1,00,006	1,02,139
2	Trend	Index	100	121	81	83
3	Import price (CIF)	Rs/MT	2,22,039	3,49,881	1,69,299	1,30,886
4	Trend	Index	100	158	76	59

78. It is seen that the raw material prices increased in 2022-23 and the import price also increased in this period. The raw material prices declined in 2023-24 and remained static in the period of investigation. However, the import price declined in 2023-24 and has thereafter declined further in the period of investigation.
79. While the raw material prices declined by 17% over the injury period, the import prices have declined by 41% in the period of investigation. The Authority considers that the import prices have not moved in line with the raw material prices, and has declined much more than fall in the raw material prices. Therefore, the submission that the price

## NON-CONFIDENTIAL

movement of the product under consideration mirror fluctuations in key feedstocks such as Ammonia and Monoethanolamine (MEA) does not hold true.

**b. Price undercutting**

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

SN	Particulars	Unit	China PR	European Union	Saudi Arabia	Taiwan	Weighted average
1	Import volume	MT	12,414	11,615	10,691	1,486	36,207
2	Net sales realization	Rs/MT	***	***	***	***	***
3	Landed price	Rs/MT	1,43,206	1,45,544	1,34,946	1,47,265	1,41,684
4	Price undercutting	Rs/MT	***	***	***	***	***
5	Price undercutting	%	10%	8%	16%	7%	11%

81. The Authority notes that the subject imports are undercutting the prices of the domestic industry and the price undercutting is positive and significant. The price undercutting is positive despite the domestic industry selling the product at losses.

**c. Price suppression/depression**

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Selling price	Rs/MT	***	***	***	***
2	Trend	Indexed	100	125	68	59
3	Change	Rs/MT	***	***	***	***
4	Cost of sales	Rs/MT	***	***	***	***
5	Trend	Indexed	100	121	90	89
6	Change	Rs/MT	***	***	***	***
7	Landed price	Rs/MT	2,40,358	3,78,746	1,83,266	1,41,684
8	Trend	Indexed	100	158	76	59
9	Change	Rs/MT	-	1,38,388	-1,95,480	-41,582

*NON-CONFIDENTIAL*

83. It is seen that,
- a. In 2022-23, while the cost of sales increased by 21 index points and the selling price also increased by 25 index points.
  - b. In 2023-24, while the cost of sales declined by 31 index points, the selling price declined by 57 index points. The domestic industry suffered marginal losses in the year.
  - c. In the period of investigation, while the cost of sales has declined by 1 index points, the selling price has declined by 9 index points.
  - d. While the landed price of imports remained above the domestic industry's cost and selling price during 2022-23 and 2023-24, it declined drastically during the Period of Investigation (POI). Specifically, the landed price plummeted from ₹2,22,342 per MT in the first half of 2023-24 to ₹1,37,460 per MT in the second half of the same year (which serves as the first half of the POI, creating an overlapping period). Conversely, during the second half of the POI, the landed price saw a marginal recovery, increasing to ₹1,43,965 per MT.
  - e. When compared to the immediately preceding year, while the selling price declined in the period of investigation, the landed price declined at a higher rate. The selling prices of the domestic industry are depressed.
84. The Authority notes that the landed price of imports has prevented the domestic industry from charging adequate remunerative prices in the period of investigation. Therefore, the landed price of imports has both suppressed and depressed the prices of the domestic industry. The Landed price during the first half of 2023-24 (Apr-Sep) is significantly higher than the second half of 2023-24 (Oct-Mar), which is part of POI. The selling price remains below landed price during this period, thus aggravating the injury.

**G.3.4 Economic parameters of the domestic industry**

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

## NON-CONFIDENTIAL

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

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Capacity	MT	***	***	***	***
2	Trend	Indexed	100	100	100	100
3	Production	MT	***	***	***	***
4	Trend	Indexed	100	130	75	63
5	Capacity utilization-Plant	%	***	***	***	***
6	Trend	Indexed	100	129	75	64
7	Domestic sales	MT	***	***	***	***
8	Trend	Indexed	100	96	90	66
9	Export sales	MT	***	***	***	***
10	Trend	Indexed	100	244	12	8

87. It is seen that:

- a. The capacity of the domestic industry remained the same throughout the injury period. It is seen that the capacity is not dedicated in the product under consideration alone.
- b. When operating at full utilisation, the plant of the applicant can produce the product under consideration to the extent which can cater 60% of the demand in the domestic market. The domestic industry has provided evidence to show that while it has obtained environmental clearance to set up new plant, the plan has been put on hold due to the losses suffered.
- c. The production and the capacity utilization of the domestic industry increased in 2022-23 compared to 2021-22. The production and capacity utilization of the domestic industry declined in 2023-24 with the volume of imports from the subject country increasing. Production and capacity utilization have further declined in the period of investigation as compared to 2023-24.
- d. The domestic sales of the domestic industry declined in 2022-23 in comparison to 2021-22. Domestic sales declined further in 2023-24 and in the period of investigation. While the demand has increased, the domestic sales have declined. It is seen that the domestic industry has suffered decline in the domestic sales despite operating with significant idle capacities.
- e. The production and domestic sales of the domestic industry have declined over the injury period.
- f. The export sales of the domestic industry too have declined but continue to remain profitable. The Authority notes the domestic industry's contention that it is not

## NON-CONFIDENTIAL

reliant on export sales and that the same is being done only out of its inability to sell in the domestic market.

**b. Market share of all suppliers**

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Domestic industry	%	***	***	***	***
2	Trend	Indexed	100	113	85	53
3	Other domestic producer	%	***	***	***	***
4	Trend	Indexed	-	-	-	-
5	Imports from subject countries	%	***	***	***	***
6	Trend	Indexed	100	96	107	120
7	Imports from other countries	%	***	***	***	***
8	Trend	Indexed	100	73	102	120

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

- The market share of the domestic industry increased in 2022-23, declined in 2023-24 and has thereafter declined again in the period of investigation.
- The market share of subject imports declined marginally in 2022-23, thereafter increased in 2023-24 and further increased in the period of investigation.
- Despite having the capacity to cater [\*\*\*] of demand, the domestic industry is only able to cater [\*\*\*] % of domestic market.
- The domestic industry has submitted that although it has obtained necessary approvals for capacity expansion, such expansion has not been undertaken, as the existing capacity remains grossly underutilized.

**c. Inventories**

90. Information with regard to inventory is given below.

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Opening inventory	MT	***	***	***	***
2	Trend	Indexed	100	92	228	109
3	Closing inventory	MT	***	***	***	***
4	Trend	Indexed	100	248	254	509
5	Average inventory	MT	***	***	***	***
6	Trend	Indexed	100	167	240	301

**NON-CONFIDENTIAL**

91. It is seen that the average inventory of domestic industry has increased over the injury period. The average inventory of the domestic industry increased in the period of investigation even when there was increase in demand of the product under consideration. The domestic industry has submitted that the inventories with the domestic industry shot up by 200% in the period of investigation as compared to base year.

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

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Profit/(Loss)	Rs/MT	***	***	***	***
2	Trend	Indexed	100	137	-1	-30
3	Profit/(Loss)	Rs Lakhs	***	***	***	***
4	Trend	Indexed	100	132	-0	-20
5	PBIT	Rs Lakhs	***	***	***	***
6	Trend	Indexed	100	123	3	-15
7	Cash profit	Rs Lakhs	***	***	***	***
8	Trend	Indexed	100	128	11	-7
9	Return on investment	%	***	***	***	***
10	Trend	Indexed	100	116	2	-14

93. It is seen that,
- The domestic industry's profit per unit increased in 2022-23 when the imports declined. The profits declined sharply and turned into losses in year 2023-24 and the losses have further aggravated in the period of investigation.
  - The profitability increased in 2022-23 and thereafter declined till the period of investigation where it turned into severe losses.
  - The domestic industry's profit before interest and taxes and cash profit have also increased in 2022-23 and thereafter declined till the period of investigation with the domestic industry recording cash losses and losses before interest in the period of investigation.
  - The return on investment of the domestic industry increased in 2022-23, declined steeply and turned negative in 2023-24, thereafter further declined in the period of investigation.
  - The current prices of domestic industry are below cost of production resulting in losses.

## NON-CONFIDENTIAL

**e. Employment, productivity and wages**

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	No. of employees	No.	***	***	***	***
2	Trend	Indexed	100	131	142	144
3	Productivity per day	MT/Days	***	***	***	***
4	Trend	Indexed	100	113	113	111
5	Productivity per employee	MT/Nos	***	***	***	***
6	Trend	No.	100	99	42	44
7	Wages	Rs Lacs	***	***	***	***
8	Trend	Indexed	100	158	312	241

95. It is seen that:

- The number of employees with the domestic industry increased over the injury period.
- The productivity per day increased in 2022-23, but has declined thereafter.
- The productivity per employee has declined continuously over the injury period.
- Wages paid by the domestic industry have increased in POI over 2021-22.

**f. Growth**

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

SN	Particulars	UOM	2022-23	2023-24	POI
1	Production	%	30%	-42%	-16%
2	Capacity utilization	%	29%	-42%	-14%
3	Domestic sales	%	-4%	-6%	-28%
4	PBT per unit	%	37%	-100%	-5718%
5	Cash Profit per unit	%	33%	-91%	-186%
6	PBIT per unit	%	28%	-98%	-876%
7	ROI	%	16%	-98%	-844%
8	Inventory	%	67%	44%	25%

97. In the period of investigation, the volume parameters as well as all the price parameters including profit, cash profit, profit before interest and taxes and return on capital employed of the domestic industry have shown significant negative growth. These parameters continued to remain nowhere near the level they should have been. The domestic industry has experienced negative growth both in volume and price parameters first in 2023-24 which has continued in the period of investigation.

NON-CONFIDENTIAL

**g. Ability to raise capital investment**

98. The Authority notes that the domestic industry had recorded losses in the period of investigation. It is also seen that the return on capital employed by the domestic industry is negative, which would affect its ability to raise capital investments.
99. Considering the growing demand for the product, the domestic industry had obtained approval of expanding its total capacity to [\*\*\*] MT (including non-product under consideration). The domestic industry wants to increase its capacity by investing huge amount. With such significant financial losses, the ability to raise capital for working capital needs has also been affected.

**h. Factors affecting prices**

100. The Authority notes that the landed price of subject imports was below the cost of sale and selling price of the domestic industry in the period of investigation. The landed price of subject imports has depressed the prices of the domestic industry, leading to the domestic industry suffering significantly on both volume and price parameters. Therefore, the dumped imports are the predominant factors affecting the prices of the domestic industry. The domestic industry has provided communication with the customers evidence that customers have quoted import price as a basis to negotiate with the domestic industry, pressuring it to reduce its prices to match the import levels.

**i. Magnitude of dumping**

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

**G.3.5 Conclusions on injury**

102. The examination of the imports of the product under consideration and performance of domestic industry shows that:
- The imports from the subject countries have increased from 24,304 MT in the base year to 36,207 MT. The imports have increased in absolute terms.
  - The imports in relation to production increased from \*\*\*% in the base year to \*\*\*% in the period of investigation. The imports in relation to consumption increased from \*\*\*% in the base year to \*\*\*% in the period of investigation. The imports have increased in relative terms.
  - The landed price is below the selling price of the domestic industry, resulting in positive price undercutting.
  - The landed price has remained below the cost of sales of the domestic industry in the period of investigation. As a result, the domestic industry has been unable to adjust its

*NON-CONFIDENTIAL*

- prices in line with the changes in the cost. The prices of the domestic industry were depressed in the period of investigation.
- e. The production, domestic sales and capacity utilization of the domestic industry declined in the period of investigation.
  - f. The market share of the domestic industry has declined over the injury period.
  - g. The average inventory increased over injury period.
  - h. Profitability of the domestic industry has declined in 2022-23 and turned negative in the period of investigation. The profit per unit has declined from Rs \*\*\* per MT to loss of Rs \*\*\* per MT.
  - i. Cash profit and return on capital employed of the domestic industry similarly declined in 2022-23 and thereafter turned negative in the period of investigation.
  - j. The domestic industry suffered in the growth of both volume and price parameters in the period of investigation.
  - k. The domestic industry's ability to raise capital has been adversely impacted.
  - l. The dumped imports have affected the prices of the domestic industry.
  - m. The dumping margin is positive and significant during the period of investigation.

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

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

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

104. The Authority notes that apart from the subject countries, the imports from Japan, Korea and United States of America cumulatively account for less than 6% of total imports.

**b. Contraction of demand**

105. The Authority notes that demand has increased over the injury period and therefore injury to the domestic industry is not attributed to the contraction of demand.

**c. Changes in pattern of consumption**

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

**NON-CONFIDENTIAL****d. Trade restrictive practices**

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

**e. Developments in technology**

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

**f. Productivity**

109. With the decline in production, the per employee production has also declined.

**g. Export performance**

110. The Authority notes that the injury information examined hereinabove relates only to the performance of the domestic industry in terms of the domestic market. Thus, the injury suffered cannot be attributed to the export performance of the domestic industry. The Authority notes that export sales have declined in the period of investigation comparison to the previous year. However, the exports continue to remain profitable. Therefore, the claimed injury in the domestic market cannot be due to export performance.

**h. Performance of other products**

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

**i. Factors affecting causal link between the dumped imports and injury to the domestic industry**

- a) The dumping margin is above de minimis, and is significant from subject countries.
- b) The imports have increased in absolute and relative terms.
- c) The imports of subject goods from subject countries have led to adverse price effect, and the domestic industry has suffered significant price undercutting and price depression.
- d) On account of volume and price effect, the operating performance of the domestic industry deteriorated in terms of sales, production, capacity utilization, market share of the domestic industry, profits, cash profits and ROCE.

**I. MAGNITUDE OF INJURY MARGIN**

112. The Authority has determined Non-Injurious Price for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The non-injurious price of the subject goods has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The non-injurious price has been considered for comparing the landed price from the subject

**NON-CONFIDENTIAL**

countries for calculating the injury margin. For determining the non-injurious price, the best utilization of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilization of production capacity over the injury period has been considered. It is ensured that no extraordinary or non-recurring expenses are charged to the cost of production. A reasonable return @22% on average capital employed (i.e. average net fixed assets plus average working capital) for the subject goods was followed towards interest, tax and profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules.

113. Landed price for the cooperating exporters has been determined based on the response filed. Applicable customs duties have been added to determine landed price of imports. For all the non-cooperative producers/exporters from the subject countries, the Authority has determined the landed price based on facts available.
114. Based on the landed price and non-injurious price determined as above, the injury margin for producers/exporters for the subject countries has been determined by the Authority and the same is provided in the table below:

SN	Producer/exporter	NIP	Landed	Injury margin		
		USD/MT	USD/MT	USD/MT	%	Range
<b>A</b>	<b>China</b>					
1	BASF-YPC Company Limited	***	***	***	***	20-30
2	Any other producer	***	***	***	***	30-40
<b>B</b>	<b>European Union</b>					
1	BASF Antwerpen NV	***	***	***	***	20-30
2	Any other producer	***	***	***	***	50-60
<b>C</b>	<b>Saudi Arabia</b>					
1	Sadara Chemical Company	***	***	***	***	10-20
2	Any other producer	***	***	***	***	20-30
<b>D</b>	<b>Taiwan</b>					
1	Any producer	***	***	***	***	10-20

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

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

115. The opposing interested parties has made the following submissions with regard to Indian industry's interest and other issues:
- The downstream users rely on imports primarily due to domestic supply shortages. The applicant's low-capacity utilization and intermittent production suspensions during the period of investigation left users with no choice but to source from abroad.

*NON-CONFIDENTIAL*

- b. Higher EDA costs would affect investment and innovation in the agrochemical sector, weakening India's global competitiveness.
- c. EDA is a critical input for many industries, including pharmaceuticals, agrochemicals, water treatment, textiles, and adhesives. Imposing anti-dumping duties on EDA would raise input costs for downstream manufacturers, including mancozeb producers, who cannot pass on the increased costs to farmers, affecting their competitiveness.
- d. Quantitative evidence shows that ADD of 20–30% would significantly harm downstream users, eroding profitability, production, and export market share.
- e. The imposition of anti-dumping duties will lead to trade diversion. Imports from subject countries will be replaced by imports from non-subject countries like Japan, the USA, and Korea RP, which are already supplying at competitive prices.
- f. This will provide no benefit to the domestic industry, which will continue to face the same competitive pressures, rendering the duty ineffective.
- g. The opposing parties are of the opinion that the investigation is legally flawed and discriminatory as it fails to include Japan, the USA, and Korea RP as subject countries. While individually below the 3% import share threshold, these countries collectively account for 7.28% of total imports, exceeding the 7% threshold mandated for inclusion under Rule 14(d) of the Anti-Dumping Rules.
- h. The import prices from these non-subject countries are comparable to subject countries and significantly below the domestic industry's NIP, indicating they are also a source of dumped and injurious imports. Their exclusion violates the non-discriminatory principle of the WTO Anti-Dumping Agreement.

**J.2 Submission by the applicant**

116. The applicant has made the following submissions with regard to Indian industry's interest and other issues:
- a. The product is used in agrochemical and pharmaceutical applications such as Mancozeb and Sitagliptin. EDA consumption in Mancozeb production is very limited, and over 80% of Mancozeb output is exported and not subject to duty.
  - b. Sitagliptin is used to treat type 2 diabetes patients. The doctor prescribes per dosage of Sitagliptin of around 25-50 MG. Since the anti-dumping duty on Sitagliptin is only 0.002%, the anti-dumping duty on the end consumer would not have any impact.
  - c. The impact of proposed measures on downstream industries is negligible.
  - d. Prices in the past were higher. Even after inclusion of the proposed anti-dumping duty, the landed import price would remain below these historical levels. Therefore, the imposition of anti-dumping duty is unlikely to have any material impact on users.
  - e. Despite increase in the import price in 2022-23, the domestic industry refrained from raising prices in view of public interest.
  - f. Import prices surged in 2022-23 due to higher Ammonia and MEA costs, resulting in negative price undercutting of 13%, yet the domestic industry in view of public interest, did not raise its prices proportionately.

**NON-CONFIDENTIAL**

- g. The product is primarily used in the agrochemical and pharmaceutical sectors, which operate as pass-through industries. Any cost increase due to anti-dumping duties is likely to be passed on to end consumers with minimal impact on demand.
- h. Exporters from the subject countries would not have long-term commitment to the Indian market and may divert supplies to more profitable markets. In contrast, the domestic industry ensures stable supply, along with consumer interests, and allows lower inventory and working capital requirements.
- i. As the sole Indian producer, the domestic industry is facing serious sustainability concerns, having already curtailed production for a substantial period. In the absence of anti-dumping duties, there is a real risk of plant shutdown, which would adversely affect employment and livelihoods.
- j. The current performance of the domestic industry does not justify fresh investment in the country and its not financially viable for other Indian producers to enter into this business.
- k. The domestic industry has allocated Rs 2.88 Cr. towards CSR in 2023-24 for benefiting the society by taking various activities in interest of public.

**J.3 Examination by the Authority**

117. The Authority examined whether the imposition of the 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, foreign producers and consumers.
118. The Authority issued a gazette notification inviting views from all interested parties, including importers, consumers and other interested parties. The Authority also prescribed a questionnaire for the users to provide the relevant information with regard to the present investigation, including the possible effect of the anti-dumping duty on their operation. The Authority sought information on, inter-alia, interchangeability of the product supplied by the various suppliers from different countries, ability to switch sources, the effect of the 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.
119. 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.
120. The Authority had prescribed an economic interest questionnaire, which was sent to all interested parties in this investigation. Coromandel International Limited, Indorama Industries Private Limited, Cardolite Speciality Chemicals India LLP and domestic industry have filed economic interest questionnaire. The users have claimed that anti-dumping duties will adversely affect the operations. The users have quantified the impact of anti-dumping duty as below.

User		Cardolite	Coromandel	Indorama
Product		Epoxy Curing Agent	Mancozeb	Elastomeric Filament Yarn
Cost of PUC in FG	Rs/KG	***	***	***
Total Cost of FG	Rs/KG	***	***	***

## NON-CONFIDENTIAL

Selling price of FG	Rs/KG	***	***	***
Profitability	Rs/KG	***	***	***
Share of PUC in price of FG	%	***	***	***
Notional price increase in PUC	%	***	***	***
Increase in cost of PUC	Rs/KG	***	***	***
Impact of increase on price of FG	%	5.96%	2.91%	0.18%

121. The Domestic industry has quantified the impact of anti-dumping duty as below.

SN	Particulars	UOM	Mancozeb
1	Mancozeb Technical 85% min.	Rs/Kg	250
2	EDA for 1 KG of downstream product (estimate)	Kg	0.20
3	EDA price for 1 kg	Rs/Kg	134
4	ADD on EDA (Notional 20%)	Rs/Kg	26.80
5	Cost increase for downstream industry (API producer)	Rs/Kg	5.36
6	Impact of ADD for technical producer	%	2.14%
7	Mancozeb formulation price for 1 KG	Rs	571
8	Mancozeb concentration	%	75%
9	Cost increase for formulation producer	Rs	4.02
10	Impact of ADD on formulation producer	%	0.70%
11	Area which 1 KG of mancozeb can cover	Acre	1.25
12	Impact per acre	Rs	5

SN	Particulars	UOM	Sitagliptin
1	Average price of 1 KG of the product	Rs/Kg	7,500
2	EDA for 1 KG of downstream product (estimate)	Kg	0.15
3	EDA price for 1 kg	Rs/Kg	134
4	ADD on EDA (Notional 20%)	Rs/Kg	26.80
5	Cost increase for downstream industry (API producer)	Rs/Kg	4.02
6	Impact of ADD for tablet producer	%	0.05%
7	Price of 1 strip	Rs	85
8	Price of 1 tablet	Rs/strip	8.50
9	Sitagliptin dosage per tablet (MG)	MG	50
10	Price of 1 MG	Rs/MG	0.17
11	Price of 1 KG	Rs/KG	1,70,000

## NON-CONFIDENTIAL

12	Cost increase for tablet producer (assuming entire cost increase passed on)	Rs/KG	4.02
13	Impact of ADD for tablet producer	%	0.002%
14	Impact per strip	Rs	0.002

122. Upon examination of the data filed by the domestic industry and the user industry, it is noted that EDA forms only a small part of the cost of the downstream products, with a correspondingly limited impact on the price of the end-products.

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

SN	Particulars	Unit	2021-22	2022-23	2023-24	POI
1	Landed price	Rs/MT	2,40,358	3,78,746	1,83,266	1,41,684

124. It is seen that the landed price was higher in past and has only declined in the period of investigation. The domestic industry has submitted that the landed price of imports including proposed anti-dumping duty will be lower than the prices in past. Therefore, when these high prices did not impact the user, the imposition of anti-dumping duty are not likely to have material impact. The Authority notes that though in the event of imposition of anti-dumping duties the price level of product in India may be affected but fair competition in the Indian market will not be reduced by such anti-dumping measures. On the contrary, the anti-dumping measures may mitigate the unfair advantage gained by dumping practices, which would arrest the decline of the domestic industry both material injury and would help maintain availability of wider choice to the consumers of subject goods. Furthermore, the investigation has not shown that the downstream industry has been unable to align its prices in line with the increase in the cost.

125. As regards the imports necessitated due to the demand and supply gap, the information on record shows that the domestic industry is operating with significant idle capacity and has obtained necessary approval for expanding capacity. While there still exists a demand and supply gap, the Authority considers it cannot be expected that a producer would make significant investments despite suffering huge losses. The Authority further notes that the imposition of anti-dumping duty will not lead to scarcity of the subject goods in India. It is noted that anti-dumping duty does not restrict imports into the country but ensures that imports are available at fair prices. The imposition of duty would, therefore, not affect the availability of the product. The Authority observes that domestic market investments were made based on fair market principles. The domestic industry cannot expand when there is significant dumping and at the time user industry did not set up operations expecting access to dumped imports.

NON-CONFIDENTIAL

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

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

126. The other interested parties have made the following submissions on the disclosure statement:

- i. It is submitted that the Authority has not independently verified the standing of the domestic industry by seeking information from the concerned line ministries, which is the consistent practice followed in past investigations. This process is essential to ensure that the information regarding the standing of the domestic industry is correct and prevents any material risk of distorted data being considered by the Authority. Reference is invited to the WTO Appellate Body ruling in EC-Fasteners (China), which held that the competent authority bears the obligation to ensure that the way in which it defines the domestic industry does not introduce a material risk of skewing the economic data and, consequently, distorting its analysis of the state of the industry.
- ii. It is submitted that the 'major proportion' test is not a purely mathematical test and has both quantitative and qualitative connotations. A test that would be purely quantitative would not necessarily ensure that the domestic industry defined on that basis substantially reflects the total domestic production. The application fails to satisfy the qualitative aspect of the 'major proportion' test since the existing established producer in the market has been excluded from the scope of the domestic industry. The WTO Panel in China – Anti-Dumping and Countervailing Duty Measures on Broiler Products from United States held that an investigating authority is not allowed to ignore the situation of other domestic producers in its injury determination.
- iii. It is submitted that imports from Japan, USA, and Korea RP, while individually below the 3% threshold, collectively exceeded 7.28% of total imports as per the data provided in the application. Under WTO Anti-Dumping Agreement Article 5.8 and Rule 14(d) of the Anti-Dumping Rules, such imports ought to have been cumulatively assessed and included in the scope of this investigation. The exclusion of these countries from the scope of investigation disregards mandatory legal thresholds, renders the injury analysis materially incomplete and defective, and is contrary to the principle of non-discrimination embodied in the Most Favoured Nation treatment clause.
- iv. Imports from non-subject countries such as Japan and the USA are priced competitively, often below the constructed non-injurious price. By omitting these imports, the injury analysis ascribes the entire injury burden improperly to the subject countries, leading to an inflated injury margin and an erroneous causal link. Imposing anti-dumping duties only on subject countries will inevitably cause trade diversion to those excluded countries, nullifying the protective intent of the duty.
- v. It is submitted that any injury allegedly suffered by the domestic industry is attributable to factors other than the subject imports. The domestic industry operates with significant structural disadvantages, including dependence on imported Monoethanolamine (MEA) as its principal raw material, lack of backward integration, higher logistics costs arising from its location in Solapur, Maharashtra, and the absence of economies of scale due to its relatively small production capacity. Further, having commenced commercial production only in June 2019, the domestic industry was still facing initial operational inefficiencies, process stabilization issues, and elevated production costs during the injury period. These factors, individually and collectively, have materially impacted the domestic industry's performance and cannot be attributed to imports from the subject countries.

## NON-CONFIDENTIAL

- vi. It is submitted that imports from China PR have witnessed an exponential growth of over seven-fold during the period of investigation as compared to the base year, and China PR has emerged as the single largest exporter of the product under consideration to India. Without the surge from China PR, aggregate imports from subject countries would have in fact declined. In contrast, the volume of imports from Saudi Arabia has declined during the injury period. Accordingly, the injury analysis must carefully distinguish between the individual contributions of subject countries, and cumulation of imports from Saudi Arabia along with China PR would lead to an erroneous attribution of injury.
- vii. It is submitted that the import data of EDA from non-subject countries has been revised downwards in the disclosure statement to a significantly higher extent than the revision in subject country import data. As a consequence of this disproportionate downward revision, the share of imports from non-subject countries in total imports has reduced from more than 7% to less than 7% in the period of investigation. No explanation has been provided for this asymmetric revision. The Authority is requested to re-examine the import data from non-subject countries as this issue directly affects the determination of whether those countries ought to have been included in the scope of the investigation.
- viii. It is submitted that the basic customs duty on imports of EDA under HS Code 29212100 has been withdrawn vide Customs Notification No. 12/2026 dated 1st April 2026, evidently in view of the prevailing geopolitical situation and consequential price pressures. In such a situation, recommending anti-dumping duty on EDA would directly counteract the policy objective underlying these Government measures. The Authority ought not to recommend a measure that neutralises the effect of the Government's own tariff liberalisation steps taken in the public interest.
- ix. It is submitted that there exists a significant and growing demand-supply gap in India for EDA. The domestic industry's capacity is demonstrably insufficient to satisfy even half of the total Indian demand. Imports from non-subject countries such as Japan, USA, Korea RP, Singapore, and UAE are already entering the Indian market at prices comparable to or more competitive than those from the subject countries. Any restriction on imports from subject countries will simply trigger a shift in the source of imports, with no discernible benefit to the domestic industry.
- x. The true and sustainable remedy for the domestic industry lies not in trade protection but in undertaking fundamental structural improvements, including vertical integration, capacity expansion, and achieving economies of scale to bring its cost structure to globally competitive levels.
- xi. It is submitted that EDA serves as a vital intermediate for numerous essential agrochemical products including Mancozeb. The imposition of anti-dumping duties on EDA imports will inevitably lead to increased raw material costs cascading through the value chain, raising prices for downstream agrochemical formulations. Such increased costs would impose a direct burden on farmers by raising the prices of critical crop protection chemicals, potentially undermining agricultural yields and farm incomes, and would be contrary to the country's broader economic and public interest objectives.
- xii. It is further requested that the import data be provided in the same format and manner in which the same was taken on record for the purpose of investigation, in line with the judgement of the Hon'ble CESTAT in Exotic Decor Pvt. Ltd. vs. Designated Authority (Anti-Dumping Appeal No. 52233 of 2018) dated 12th June 2020.
- xiii. If the Authority determines that imposition of anti-dumping duty is warranted, it is submitted that such duty ought to be recommended for a limited period of two (2) years

*NON-CONFIDENTIAL*

- only, so that an unwarranted measure does not remain in force for an unduly prolonged period.
- xiv. It is submitted that the Authority unjustifiably rejected the sole domestic sale transaction of a producer on the grounds of 'off-grade quality' and 'not in sufficient quantity', without conducting the analysis required under Article 2.2 of the ADA and Rule 10 of the Rules. The mere characterisation of a product as 'off-grade' does not, without further inquiry, render it outside the ordinary course of trade.
  - xv. It is further submitted that imports from Saudi Arabia declined by more than 20% during the POI, and the domestic industry was profitable when Saudi import volumes were higher, negating any causal link. The DGTR has failed to conduct a proper non-attribution analysis under Article 3.5 of the ADA with respect to: (a) the 92% decline in export performance of the domestic industry; (b) MEA price fluctuations; and (c) geopolitical tensions, supply chain disruptions, and climate change as acknowledged in the Annual Report for 2024-25. Accordingly, the investigation should be terminated insofar as it relates to Saudi Arabia.
  - xvi. It has been submitted by certain downstream importers/users that cumulative assessment is inappropriate as imports from different subject countries compete under different conditions, at different price levels, through different trade channels.
  - xvii. The weighted average price undercutting of approximately 10-11% is nominal and is not evidence of significant price injury. The price decline coincided with a broad correction in global EDA prices post-COVID.
  - xviii. The domestic industry showed positive trends in employment (up 44%), productivity per day (up 11%), and total wages (up 141%) during the POI, which are inconsistent with a finding of material injury.
  - xix. The Authority's impact analysis of ADD on Mancozeb is based on incorrect consumption assumptions. Verified production records show different actual consumption ratios. An ADD of 20-30% would erode profitability in thin-margin industries.
  - xx. The imposition of ADD would create supply shortages and grant undue pricing power to the sole domestic producer, risking a monopolistic outcome, with inflationary effects and weakening India's export competitiveness.

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

127. The domestic industry has made the following submissions on the disclosure statement:
  - i. That the Authority has rightly proposed in the disclosure statement not to exclude ethylene diamine used for the production of spandex yarn. The specifications relied on by the other interested parties were based on a sample supplied to them in 2020-21. After 2020-21, the domestic industry has undertaken significant research and development efforts to enhance the product to meet the technical requirements, and the product is now being supplied to other producers of spandex. The domestic industry's product satisfies all the specified parameters, including appearance, colour, water content, purity and organic impurity, and the specifications can be modified based on customer requirements without any new machinery. They have also requested

*NON-CONFIDENTIAL*

- the Authority to confirm the scope of the product under consideration as proposed in the disclosure statement.
- ii. That the Authority should confirm that the dumped imports from the subject countries have caused material injury to the domestic industry in the final findings.
  - iii. That the customers have increasingly shifted their purchases to imported goods originating from the subject countries on account of their lower prices. The evidence on record further demonstrates that import prices are routinely used by customers as a benchmark during commercial negotiations, exerting significant downward pressure on the domestic industry's prices in order to retain market share.
  - iv. That the Authority has rightly noted that imports from Japan, Korea and the United States of America cumulatively account for less than 6% of total imports and, therefore, cannot be regarded as a contributing factor to the injury suffered by the domestic industry. The Authority has further found that no other known factor has caused injury to the domestic industry. In these circumstances, the domestic industry reiterated that the injury suffered is solely attributable to the dumped imports from the subject countries, and that a clear and direct causal link exists between the surge in low-priced dumped imports and the deterioration in the domestic industry's volume, price, and financial performance parameters.
  - v. That the users were buying imported product at substantially higher prices in previous years. Since prices have declined steeply in the period of investigation, the imposition of anti-dumping duty, restoring level playing field is not likely to have any material impact on downstream users. It is also submitted that EDA forms only a small part of the cost of the downstream products approximately 30% for epoxy curing agents, 15% for Mancozeb, and less than 1% for elastomeric filament yarn with correspondingly limited impact on the price of end-products. The impact of a notional 20% duty on the price of the final product ranges from 0.18% to 5.96%, which is negligible.
  - vi. The imposition of anti-dumping duty will not restrict imports from the subject countries but will ensure that imports are available at fair prices. It will not lead to scarcity of the subject goods in India. The domestic industry cannot be expected to expand its capacity in the face of significant dumping, and the user industry did not establish its operations expecting continued access to dumped imports.
  - vii. The domestic industry is the sole producer of EDA in India and the dumping of the product has discouraged other potential producers from setting up capacities. If anti-dumping duty is not imposed, there is a real risk of plant shutdown, which would adversely affect employment, livelihoods, and the objectives of the Government's Atmanirbhar Bharat initiative.
  - viii. The domestic industry has obtained approval for expansion of capacity to 37,350 MT for the product under consideration. The imposition of anti-dumping duty for a period of five years would provide the necessary stability and financial support to the domestic industry to recover from its losses, undertake capacity expansion, and make further investments.
  - ix. The domestic industry requests the Authority to recommend imposition of anti-dumping duty for a period of five years. Unless the duty is imposed for five years, the domestic industry will not be able to adequately recover from the significant injury suffered as a result of dumped imports. The domestic industry's Board of Directors has been reluctant to approve the proposed capacity expansion investment owing to the losses incurred due to dumped imports, and the imposition of anti-dumping duty for five years would provide the requisite stability for such investment.

NON-CONFIDENTIAL

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

128. The Authority has examined the post-disclosure submissions made by the interested parties. It is observed that the majority of these submissions are reiterations of arguments and contentions that have already been examined and are therefore addressed to the extent deemed necessary in the relevant paragraphs of these final findings. For the sake of brevity, the Authority has refrained from repeating responses to such issues in this post disclosure examination. However, any new issues raised for the first time in the post disclosure submissions, as well as those previously addressed but deemed necessary to examine further, are addressed hereunder.
129. The Authority confirms the scope of the product under consideration and eligibility of the applicant as Domestic Industry as defined in the disclosure statement.
130. The Authority issued confidential copy of disclosure to the various interested parties regarding determinations of Normal value, Net export price, landed value and non-injurious price. No comments have been received from any of the interested parties after the issuance of disclosure statement; hence, the Authority confirms the dumping margin determined for various producers and exporters from subject countries.
131. On the submission regarding imports from Japan, USA and Korea RP, the Authority has examined the verified transaction-wise import data from DG Systems and notes that imports from these countries cumulatively account for less than 6% of total imports during the period of investigation. The threshold of 7% prescribed under Rule 14(d) of the Rules for inclusion of low-volume source countries has not been met. There is no legal basis for inclusion of these countries within the scope of the present investigation.
132. On the contention that the downward revision of non-subject country import data in the disclosure statement was asymmetric, the Authority clarifies that the revision applies uniformly to data from all source countries and is a consequence of the verification exercise that removes duplications, mis-coded transactions, and non-EDA entries. The allegation is not borne out by any specific transaction-level evidence and is rejected.
133. In relation to the submissions on causal link, the Authority has observed that the conditions now alleged to have broken the causal nexus between dumped imports and the injury suffered by the domestic industry, such as dependence on imported raw materials, absence of captive production or backward integration, locational disadvantages, and other structural characteristics, existed throughout the injury period and remained unchanged between the years when the domestic industry was earning profits and the period of investigation when it incurred losses. The domestic industry was profitable in 2021-22 and 2022-23 despite the existence of these very same conditions. Accordingly, such factors cannot be regarded as the cause of the deterioration in the domestic industry's performance. The only material change during the period of investigation was the substantial increase in dumped imports at injurious prices, resulting in significant price suppression and depression. Therefore, the injury suffered by the domestic industry is clearly attributable to dumped imports from the subject countries and not to the structural characteristics cited by the interested parties.
134. The Authority has conducted a cumulative assessment of imports from the subject countries, as all the conditions prescribed under Annexure II of the Rules are satisfied. The dumping margins and import volumes from each subject country are above the prescribed thresholds, and the conditions of competition warrant a cumulative assessment. The mere decline in imports from a particular subject country does not preclude its inclusion in the cumulative injury analysis.
135. The Authority observes that the withdrawal of Basic Customs Duty under Notification No. 12/2026-Customs and the imposition of anti-dumping duty serve different purposes and operate under different legal provisions. Therefore, the withdrawal of BCD does not

*NON-CONFIDENTIAL*

- prevent the Authority from recommending anti-dumping duty where dumped imports are causing injury to the domestic industry.
136. In relation to the submission regarding trade diversion, the Authority observes that anti-dumping duty does not prohibit or restrict imports, it merely ensures level playing field in the Indian market. The possibility of trade diversion is speculative and is not a ground for declining to address proven dumping and injury.
  137. In relation to the impact on the downstream industry, the Authority has observed that EDA constitutes only a small proportion of the cost of downstream products, and even on a notional anti-dumping duty of 20%, the impact on the prices of finished products would be minimal. The Authority further noted that no downstream user has demonstrated that such an increase would make its operations unviable. Moreover, the downstream industry remained profitable during 2022-23 when EDA import prices were significantly higher than the current levels. Accordingly, the imposition of anti-dumping duty is unlikely to have any material adverse impact on the downstream industry.
  138. In relation to the demand-supply gap, it is noted that anti-dumping duty does not restrict imports but merely ensures level playing field between domestic producers and imports products. Since domestic industry is presently operating at only 36% of its installed capacity and has the necessary approvals for further expansion, demand supply gap cannot be a ground for continued dumped imports from the subject countries. The underutilisation of capacity is primarily due to the presence of low-priced dumped imports, and therefore, the imposition of anti-dumping duty is necessary to restore fair competition and enable the domestic industry to increase production and expand capacity.
  139. The Authority notes the submissions made by the interested parties regarding disclosure of import data and the reliance placed on the decision of the Hon'ble CESTAT in Exotic Decor. The Authority, however, notes that import information obtained from DG Systems is treated in accordance with the confidentiality provisions contained in Rule 7 of the Rules. However, the Authority has disclosed all essential facts under consideration, including import volumes, landed values, trends, and methodology adopted for the purpose of the present investigation. The interested parties have been provided adequate opportunity to inspect the public file and offer comments on the information relied upon by the Authority. The Authority is therefore satisfied that the requirements of natural justice and the provisions of the Rules have been duly complied with.
  140. In relation to the period of anti-dumping duty, the Authority notes that Section 9A(5) of the Customs Tariff Act, 1975 contemplates imposition of anti-dumping duty for a period not exceeding five years, which is the standard period followed in anti-dumping investigations. The Authority further notes that none of the interested parties have provided any cogent reasons or exceptional circumstances warranting a departure from the standard five-year period and limiting the measure to two years. In view of the continued material injury suffered by the domestic industry and the absence of any justification for a shorter duration, the Authority finds no merit in the submissions seeking a two-year duty period and recommends imposition of anti-dumping duty for a period of five years.
  141. On export performance, the Authority has examined the submission that the 92% decline in the domestic industry's export sales during the POI is itself a consequence of the globally depressed price environment in which dumped imports have played a central role. When the domestic industry is unable to realise remunerative prices in the domestic market due to injuriously priced imports, its competitive position in export markets is simultaneously eroded. Accordingly, the decline in export performance is not an independent cause of injury it is a symptom of the same injury caused by dumped imports. This factor cannot be attributed as a non-dumping cause of injury.

## NON-CONFIDENTIAL

142. Further, the single domestic transaction of 15 MT, considered against the scale of Sadara's production and its exports to India, does not meet the minimum threshold required to establish a representative domestic market price. International practice and the text of Article 2.2 both recognise that domestic sales may be disregarded where the volume is insufficient to permit a proper comparison. Both independent grounds — off-grade quality and insufficient volume — separately justify construction of normal value. The finding in the Disclosure Statement is confirmed.
143. On price undercutting and price effects, the Authority confirms its findings on price effects as set out in the Final Finding. Import prices declined by approximately 41% over the injury period, against a raw material price decline of only 17%. This disproportionate decline establishes that import prices have not merely tracked feedstock cost movements. Price undercutting ranges from 7% to 16% across subject countries, with a weighted average of 11%. In the context of an industry with thin margins where import prices during the POI fell below even the variable cost of production of the domestic industry, this level of undercutting is injurious. The submission that 10-11% undercutting is 'nominal' is not accepted.
144. The Authority acknowledges that employment, productivity, and wages showed positive trends during the POI. However, the injury determination under Rule 11 read with Annexure II of the Rules requires a holistic examination of all relevant economic indicators. The positive movement in employment and wages is vastly outweighed by the sharp deterioration in production, domestic sales, capacity utilisation, profitability, cash profits, and return on capital employed — all of which are key indicators. The domestic industry has expanded its workforce while absorbing severe financial losses, which evidences resilience despite injury rather than absence of injury.
145. In relation to the impact on the downstream industry, the Authority has observed that EDA constitutes only a small proportion of the cost of downstream products, and even on a notional anti-dumping duty of 20%, the impact on the prices of finished products would be minimal. The Authority further noted that no downstream user has demonstrated that such an increase would make its operations unviable. Moreover, the downstream industry remained profitable during 2022-23 when EDA import prices were significantly higher than the current levels. Accordingly, the imposition of anti-dumping duty is unlikely to have any material adverse impact on the downstream industry.
146. The Authority notes that the domestic industry's estimate of 250 kg of EDA per 1,000 kg of Mancozeb stands unverified, and has taken the users' consumption data into account to the extent verifiable. Even at the higher EDA ratio contended by the users, EDA constitutes only a limited proportion of the cost of production of Mancozeb, and the impact of anti-dumping duty at the recommended level is not material. The downstream industry having remained profitable during 2022-23, when landed prices of imported EDA were significantly higher, the Authority holds that it can absorb a moderate price correction attributable to the duty, and the apprehension of an adverse downstream impact is not substantiated.
147. On monopolistic risk and supply availability, anti-dumping duty does not prohibit or restrict imports — it merely ensures imports enter the Indian market at fair, non-injurious prices. The domestic industry is currently operating at only 36% of its installed capacity and holds necessary approvals for further capacity expansion to 37,350 MT. Imposition of ADD will create conditions for the domestic industry to increase production, expand capacity, and serve a larger share of domestic demand. There is no basis for the contention that ADD will result in supply shortages or monopolistic pricing.

NON-CONFIDENTIAL

**L. CONCLUSION**

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

**a. On scope of product under consideration and like article**

- i. The product under consideration (PUC) in the present investigation is 'Ethylene Diamine', abbreviated as "EDA".
- ii. The article manufactured by the domestic industry and the subject goods exported from the subject countries are like article to each other in terms of Rule 2 (d) of the Rules.

**b. On domestic industry and standing**

- i. The applicant is the sole producer who has produced the product in the period of investigation.
- ii. Balaji Speciality Chemicals Limited is an eligible domestic industry within the meaning of Rule 2(b) and satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

**c. On normal value and export price**

- i. Producers from China PR, European Union and Saudi Arabia have participated in the present investigation. There is no response from Taiwan.
- ii. China PR is presumed as a non-market economy country since none of the producers/exporters from China PR have provided sufficient evidence to rebut this presumption as mentioned in para 8 of Annexure – I of the Rules.
- iii. The response filed by the producers from China PR, European Union and Saudi Arabia shows that the product has been exported to India at dumped prices.
- iv. The dumping margin for the product under consideration from each of the subject countries is seen to be more than de minimis.

**d. On injury and causal link**

- i. The imports from the subject countries have increased in absolute and relative terms.
- ii. While the raw material prices have declined by 17 index points as compared to the base year, the import price has declined by 38 index points.
- iii. The subject imports are undercutting the prices of the domestic industry, and the price undercutting is positive and significant.
- iv. The landed price of imports is below the cost of sales of the domestic industry in the period of investigation. The prices of the domestic industry were depressed in the period of investigation.
- v. The production, domestic sales and capacity utilization of the domestic industry declined in the period of investigation. The domestic industry has sold at losses to increase its sales.
- vi. The profit per unit has declined from Rs 66,592 per MT to loss of Rs 19,943 per MT. Cash profit and return on capital employed of the domestic industry similarly

## NON-CONFIDENTIAL

- declined in 2022-23 and thereafter negative in the period of investigation.
- vii. The dumped imports have affected the prices of the domestic industry. The investigation did not show any factor other than dumping from the subject countries which could have caused injury to the domestic industry.

**e. On Indian industry interest**

- i. The domestic industry is suffering material injury, and the imposition of anti-dumping duty will be in interest of domestic producer.
- ii. The imposition of duties will not be against public interest.

**M. RECOMMENDATIONS**

149. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers, and other interested parties to provide positive information on the aspect of dumping, injury, causal link and impact of recommended measures. Having initiated and conducted the investigation into dumping, injury, and causal link in terms of provisions laid down under the anti-dumping rules, the Authority is of the view that imposition of anti-dumping duty is required to offset the dumping and injury. The Authority considers it necessary and recommends imposition of anti-dumping duty on imports of the subject goods from the subject countries.

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

**DUTY TABLE**

SN	Heading	Description	Country of origin	Country of export	Producer	Amount	UOM	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	29212100	Ethylene Diamine	China	Any country including China	BASF-YPC Company Limited	350	MT	\$
2	-do-	-do-	China	Any country including China	Any producer other than mentioned in SN 1	575	MT	\$

## NON-CONFIDENTIAL

3	-do-	-do-	Any country other than China, European Union, Saudi Arabia and Taiwan	China	Any producer	575	MT	\$
4	-do-	-do-	European Union	Any country including European Union	BASF Antwerpen NV	464	MT	\$
5	-do-	-do-	European Union	Any country including European Union	Any producer other than mentioned in SN 4	739	MT	\$
6	-do-	-do-	Any country other than China, European Union, Saudi Arabia and Taiwan	European Union	Any producer	739	MT	\$
7	-do-	-do-	Saudi Arabia	Any country including Saudi Arabia	Sadara Chemical Company	230	MT	\$

## NON-CONFIDENTIAL

8	-do-	-do-	Saudi Arabia	Any country including Saudi Arabia	Any producer other than mentioned in SN 7	375	MT	\$
9	-do-	-do-	Any country other than China, European Union, Saudi Arabia and Taiwan	Saudi Arabia	Any producer	375	MT	\$
10	-do-	-do-	Taiwan	Any country including Taiwan	Any producer	301	MT	\$
11	-do-	-do-	Any country other than China, European Union, Saudi Arabia and Taiwan	Taiwan	Any producer	301	MT	\$

Note 1 – Customs classification mentioned above is only indicative.

Note 2 – The application of the individual duty rates specified for the producers mentioned in the above table shall be conditional upon presentation to customs authorities of a valid

**NON-CONFIDENTIAL**

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 Ethylene Diamine, abbreviated as “EDA” sold for export to the India covered by this invoice was manufactured by (producer name and address) in [country concerned]. I declare that the information provided in this invoice is complete and correct.”

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

**N. FURTHER PROCEDURE**

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

**Amitabh Kumar**  
**(Designated Authority)**