CASE No. AD (OI)-47/2025

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F. No. 6/52/2025-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi – 110001

Dated: 25.09.2026

FINAL FINDINGS
CASE No. AD (OI) – 47/2025

Subject: Anti-dumping investigation into imports of "Certain Organophosphonates – Phosphonic Acids viz., (I)HEDP Acid and (II) ATMP Acid" from China PR.

F. No. 6/52/2025-DGTR - Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as "the Act") and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred as the "Anti-Dumping Rules" or "the Rules") thereof.

A. Background

1. The Designated Authority (hereinafter referred to as the "Authority") received an application from Aquapharm Chemical Limited and Excel Industries Limited (hereinafter referred to as the "applicants" or the "domestic industry") seeking initiation of an anti-dumping investigation and imposition of anti-dumping duty on imports of certain Organophosphonates – Phosphonic Acids, namely HEDP Acid, ATMP Acid and DTPMPA Acid, in all physical forms and concentrations, originating in or exported from China PR (hereinafter referred to as the "subject country").

2. Whereas, upon examination of the duly substantiated application filed by the domestic industry, the Authority issued a public notice vide Notification No. 6/52/2025-DGTR dated 29th September 2025, published in the Gazette of India, initiating an anti-dumping investigation into imports of Certain Organophosphonates – Phosphonic Acids, namely (i) HEDP Acid and (ii) ATMP Acid (hereinafter referred to as the "subject goods" or the "Product under consideration" or "PUC") originating in or exported from China PR, in accordance with Rule 5 of the Anti-Dumping Rules, with a view to determine the existence, degree and effect of the alleged dumping of the subject goods and to recommend the amount of anti-dumping duty which, if levied, would be adequate to remove the injury allegedly caused to the domestic industry. However, on the basis of a prima facie examination of the information furnished by the domestic industry, the Authority noted that the domestic industry had not suffered injury on account of the alleged dumping of DTPMPA Acid. Accordingly, the Authority did not initiate an investigation with respect to imports of DTPMPA Acid originating in or exported from China PR.

B. PROCEDURE

3. The procedure described herein below has been followed by the Authority with regard to the subject investigation:

3.1. Initiation

i. The Authority notified the embassies of the subject country in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Rule 5(5) of AD Rules, 1995.

ii. The Authority issued a public notice dated 29^{th} September 2025, published in the Gazette of India, Extraordinary, initiating anti-dumping investigation concerning imports of subject goods from the subject country.

iii. The Authority sent a copy of the initiation notification to the Government of the subject country, through its Embassy in India, known producers and exporters from the subject country, known importers / users and the domestic industry as well as other interested parties, as per the addresses made available by the applicant and requested them to make their views known in writing within the prescribed time limit.

3.2. Circulation of non-confidential version of the application

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

3.3. Participation by Exporters of Subject countries

i. The Authority sent exporter's questionnaires to elicit relevant information to the following known producers/exporters in China PR, (whose details were made available by the applicant) and gave them opportunity to make their views known in writing in accordance with the Rule 6(4) of the AD Rules.
   a. Hangzhou Better Chemtech Ltd.
   b. Hebei Longke Water Treatment Company Limited
   c. Jiyuan Qingyuan Water Treatment Company Limited
   d. Shandong Green Technologies Import
   e. Shandong Taihe Chemicals Limited
   f. Weifang Yukai Chemical Limited
   g. Zaozhuang Kairui Water Treatment Company Limited

ii. The Embassy of the subject country in India was requested to advise the exporters/producers from its country to respond to the questionnaire within the prescribed time limit. No producer / exporter of the PUC from subject country has responded to the exporter's questionnaire, in response to the initiation of the subject investigation.

3.4. Participation by Importers/Users

i. In accordance with Rule 6(4) of the Rules, questionnaires were also sent to the following known importers/users of the PUC in India calling necessary information:
   a. Aaditya Finechem Private Limited
   b. Aartia Kem Science
   c. Abachem Specialty Chemicals Private Limited
   d. AimChem Ingredients Private Limited
   e. Amazon Papyrus Chemicals Private Limited
   f. Ampson Engineering Private Limited
   g. Annie Chemie Private Limited
   h. AVA Chemicals Private Limited
   i. Bhakti Chemicals Private Limited
   j. Chemplast Sanmar Limited
   k. Chempure Private Limited
   l. Classic Chemicals
   m. Diversey India Hygiene Private Limited
   n. Doshion Polyscience Private Limited
   o. DyStar India Private Limited
   p. Eau Chemical (Mfg) Private Limited
   q. Fineotex Chemical Limited
   r. Flora Chemicals
   s. Godrej Consumer Products Limited
   t. Ionasia Private Limited

u. JAY Chemical Industries Private Limited
v. Lok Chemicals Private Limited
w. Multichem Specialities Private Limited
x. Neelam Aqua & Speciality Chem Private Limited
y. Paarichem Resources Llp
z. Reda Chemicals India Private Limited
aa. Satyajit Speciality Chemicals Private Limited
bb. Shimmer Chemicals Private Limited
cc. Ultima Speciality Chemicals Private Limited
dd. Vasu Chemicals LLP
ee. Wex Technologies Private Limited

ii. No importer / user of the PUC from subject country has responded to the questionnaire, in response to the initiation of the subject investigation.

3.5. Period of Investigation and Injury Period

i. As noted in the initiation notification, the period of investigation ('POI') for the purpose of the present investigation was considered as 1st April 2024 to 31st March 2025. The injury period was set to cover the years 2021-22, 2022-23, 2023-24 and the POI.

3.6. Further procedure

i. An economic interest questionnaire was issued to all the known producers and exporters, importers, and the domestic industry. The economic interest questionnaire was also shared with the administrative line ministry. Only the domestic industry has filed a response to the Economic Interest Questionnaire.
ii. Non-confidential version of the submissions filed by the domestic industry were made available to all interested parties. A list of all the interested parties was uploaded on the DGTR website along with the request therein to all of them to email the non-confidential version of their submissions to all the other interested parties.
iii. A request was made to the DGCI&S and DG Systems to provide the transaction-wise details of imports of the subject goods for the past three years, and the POI, which was received by the Authority. The Authority has relied upon the DGCI&S data for computation of the volume of imports and its analysis after due examination of the transactions.
iv. The Authority invited views from the interested parties regarding the need for PCN methodology. In the absence of any submission by interested parties, the Authority notified vide notification dated 29th October 2025 that no PCN had been adopted for the investigation.
v. 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 21st January

2026. The parties presenting their views in the oral hearing were directed to make written submissions of the views expressed orally, followed by rejoinder submissions.

vi. 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, such parties have been considered as non-cooperative and the findings have been recorded based on the facts available.

vii. In accordance with Rule 7, the information provided by the interested parties on confidential basis was examined concerning the sufficiency of such confidentiality claims. On being satisfied, the confidentiality claims have been accepted wherever warranted, and such information has been considered as confidential and not disclosed to the other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.

viii. In accordance with Rule 8, during the course of the investigation, accuracy of the information supplied by the domestic industry has been verified, which forms the basis of these final findings. The information was verified to the extent possible and the data documents submitted by the domestic industry were verified to the extent considered relevant, practicable and necessary.

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

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

xi. A disclosure statement dated 10.09.2026 was issued by the Authority, in accordance with Rule 16 of the Anti-Dumping Rules disclosing the essential facts under consideration in the matter relating to the present anti-dumping investigation. The comments to disclosure statement received from the interested parties have been considered, to the extent found relevant and non-repetitive, in these final findings.

xii. '***' in these final findings represents information furnished by an interested party on a confidential basis and so considered under the Rules.

xiii. The exchange rate adopted by the Authority for the present investigation is 1 US$ = ₹ 85.43, being the average of the exchange rates notified by the Central Board of Indirect Taxes and Customs under Section 14 of the Customs Act, 1962 for conversion of the value of imported goods, in force during the period of investigation. The same rate has been applied throughout these final findings.
Source: https://foservices.icegate.gov.in/#/services/viewExchangeRate

C. Product Under Consideration

C.1 Submissions made by the other interested parties

4. None of the interested parties have submitted any comments on the PUC.

C.2 Submissions by the domestic industry

5. The domestic industry has made the following submissions with regard to the PUC and like articles.
   a. The PUC includes all forms and concentrations of I) HEDP Acid and II) ATMP Acid excluding salts, formulations and derivatives of these two acids.
   b. While 90% of imports of HEDP Acid are in liquid form with a concentration of 60%, 98% of the sales of the domestic industry are also of the same form and concentration.
   c. The imports of the subject country and the sales of domestic industry for ATMP Acid are of 50% concentration.
   d. No PCN methodology is required to be adopted in the present investigation. Other concentrations can be converted into equivalent volume at a concentration of 60% for HEDP Acid and 50% for ATMP Acid.
   e. The product produced by the domestic industry is like article to the imported PUC.

C.3 Examination by the Authority

6. The following scope of the PUC was notified at the stage of initiation.

> *"3. The PUC in the present investigation is "Certain Organophosphonates - Phosphonic Acids" viz. HEDP Acid and ATMP Acid, in all their physical form and concentrations, excluding salts, formulations and derivatives thereof.*
>
> ***I. HEDP Acid***
>
> *HEDP Acid or Etidronic acid, is a clear colourless to pale yellow acid. Its chemical name is 1-Hydroxy Ethylidene-1, 1-Diphosphonic Acid, its chemical formula is $C_2H_8O_7P^2$ and the CAS number for the product is 2809-21-4. It is also known as Hydroxyethylidene-1,1-diphosphonic acid, 1-Hydroxyethylidenediphosphonic Acid and Hydroxyethylidene Diphosphonic acid. The product is available in different forms such as aqueous and crystals, as well as in different concentrations. However, the product is largely imported and sold in the concentration of 60%. It is produced by reacting Phosphorus Trichloride with Acetic Acid. It has various applications including detergents, water treatment, oilfield, textile, paper, personal care, RO membrane and thermal desalination anti-scalant.*
>
> ***II. ATMP Acid***
>
> *ATMP Acid or Aminotrimethylene phosphonic acid has colourless to pale yellow appearance. Its chemical formula is $N(CH_2PO_3H_2)_3$ and its CAS number 6419-19-8. It is also known as Amino Tri(Methylene Phosphonic Acid) and Tris(Methylene*

Phosphonic Acid) Amine. The product is available as an aqueous solution and in different concentrations. It is produced by reacting Phosphorus Trichloride with Ammonia or Ammonium salt and Formaldehyde. It is used in various chemical formulations for industrial water treatment, oilfield, industrial cleaners, paper & pulp, textile industry, metal treatment, electroplating, inks and construction chemicals as a scale inhibitor and a complexing agent."

7. No arguments have been made about the scope of the PUC and like article. Thus, the Authority confirms the scope of the PUC as considered at the stage of initiation.

8. The PUC is classified under Chapter 29 of Schedule I of the Customs Tariff Act. However, the PUC is also imported under Chapter 38 of Schedule I of the Act. The PUC is imported under tariff items 2918 2910, 2922 1990, 2931 4990, 2931 5900, 2931 9019, 2931 9090, 2942 0090, 3809 9200 and 3824 9900. The Customs classification is indicative only and is not binding on the scope of the PUC.

9. The PUC is produced and sold in terms of weight, expressed in metric tons (MT), and the same has been adopted for this investigation.

10. No request for adoption of PCN methodology was made during the course of the present investigation. The domestic industry has highlighted that while predominant imports of HEDP Acid are in concentration of 60%, the imports of ATMP Acid are in concentration of 50%. The domestic industry also supplies the goods in the same concentrations, negating the need for a PCN to be adopted. The domestic industry proposed that the imports in other concentrations may be converted into equivalent volume, considering 60% concentration of HEDP Acid, and 50% concentration of ATMP Acid, for the purpose of the present investigation. Therefore, no PCN methodology has been adopted for the present investigation.

11. After considering the information on record, the Authority holds that there is no material difference in PUC exported from the subject country and the product produced by the Indian industry. PUC produced by the domestic industry is comparable to the imported subject product in terms of physical characteristics, production technology & manufacturing process, functions & uses, product specifications, distribution & marketing. The two are technically and commercially substitutable. Accordingly, it is held that HEDP Acid and ATMP Acid produced by the domestic industry are 'like articles' to the products under consideration imported from the subject country in terms of Rule 2(d) of the Rules.

D. SCOPE OF DOMESTIC INDUSTRY AND STANDING

D.1 Submissions made by the other interested parties

12. None of the other interested parties have submitted any comments on domestic industry and standing.

D.2 Submissions by the domestic industry

13. The domestic industry has made the following submissions with respect to the domestic industry and standing:
    a. The applicants constitute the entirety of the domestic production.
    b. The applicants have not imported the subject goods from the subject country during the POI, and are not related to any exporter or importer of the PUC from subject country.
    c. Aquapharm Chemicals Limited has imported the PUC in small quantities during the injury period, prior to POI.

D.3 Examination by the Authority

14. Rule 2(b) of the Anti-Dumping Rules defines domestic industry as below:

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

15. The present application has been filed by Aquapharm Chemical Limited and Excel Industries Limited. Based on the information available on record, the Authority notes that there are no other known domestic producers of the subject goods in India. Accordingly, both the applicants jointly account for the entire domestic production of the subject goods i.e HEDP Acid and ATMP Acid, and constitute the domestic industry for the subject goods within the meaning of the Anti-Dumping Rules.

16. The applicants have confirmed that they did not import the subject goods from the subject country during the POI and that they are not related to any exporter or importer of the PUC. It is further noted that Aquapharm Chemical Limited had imported HEDP Acid and ATMP Acid prior to the POI, during the injury period. However, such imports were not made during the POI and, therefore, do not affect the standing of the applicants as the domestic industry for the purpose of the present investigation.

17. The Authority notes that imports made prior to the POI are not relevant for determining the scope of the domestic industry. In view of the foregoing, the Authority concludes that the applicants constitute the domestic industry within the meaning of Rule 2(b) of the Anti-Dumping Rules and that the application satisfies the requirements of standing prescribed under Rule 5(3) of the said Rules.

E. MISCELLANEOUS ISSUES AND CONFIDENTIALITY

E.1 Submissions made by the other interested parties

18. None of the other interested parties have submitted any comments about confidentiality, or other miscellaneous issues.

E.2 Submission by the domestic industry

19. No submissions have been made by the domestic industry about confidentiality, or other miscellaneous issues.

E.3 Examination by the Authority

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

> *"Confidential information:*
> *(1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule(2) of rule12,sub-rule(4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.*
>
> *(2) The designated authority may require the parties providing information on a confidential basis to furnish a non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible to summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.*
>
> *(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information."*

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

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

F.1 Submissions made by the other interested parties

22. None of the other interested parties have submitted any comments with regard to the determination of normal value, export price and dumping margin.

F.2 Submissions by the domestic industry

23. The domestic industry has submitted as under with regard to the determination of normal value, export price and dumping margin.
    i. China PR should be treated as a non-market economy.
    ii. In the absence of information regarding cost or price in a third country, the normal value should be determined based on price payable in India.
    iii. Normal value for the exporters should be determined based on the weighted average cost of production of the domestic industry, with reasonable addition of profits, and not based on the lowest cost among the applicants or optimized cost.
    iv. The assumption that the Chinese producers are operating their plants at the most efficient cost of production is incorrect and does not warrant the need for consideration of optimized cost for normal value.

F.3 Examination by the Authority

24. Under Section 9A (1)c, normal value in relation to an article means:

> *"i) The comparable price, in the ordinary course of trade, for the like article, when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or*
> *ii) when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either:*
>
> *(a)comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6);*

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

25. The Authority issued questionnaires to the known producers/exporters in the subject country, advising them to furnish the requisite information in the prescribed form and manner. However, no producer/exporter from the subject country has cooperated in the present investigation by filing a questionnaire response. Accordingly, the normal value and export price in respect of all producers/exporters from the subject country have been determined on the basis of the facts available i.e. DGCI&S data and submission of the domestic industry, as set out below.

F.3.1 <u>Normal value for China PR</u>

26. Article 15 of the China's Accession Protocol to the WTO provides as follows:

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

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

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

(iv)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.

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

27. The applicants have placed reliance on Article 15(a)(i) of the Protocol of Accession of China PR to the WTO. The applicants have contended that the producers in China PR are required to demonstrate that market economy conditions prevail in the industry producing the like article with respect to the production and sale of the PUC. The applicants have further submitted that, in the event the responding Chinese producers fail to establish that their costs and prices are determined by market forces, the normal value ought to be determined in accordance with the provisions contained in Paragraphs 7 and 8 of Annexure-I to the Anti-Dumping Rules.

28. At the stage of initiation, the Authority constructed the normal value for China PR based on best estimates of the cost of production of the domestic industry after duly adjusting the selling, general and administrative expenses and profits. Upon initiation, the Authority advised the producers/ exporters in China PR to respond to the notice of initiation and provide information relevant to the determination of their market economy status. The Authority sent copies of the supplementary questionnaire to all the known producers/ exporters for rebutting the presumption of non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules and furnish relevant detailed information. However, none of the producers/exporters from China PR responded to the supplementary questionnaire concerning market economy treatment.

29. The Authority notes the following provisions under Para 7 and Para 8 of Annexure-I to the Rules with regard to the determination of normal value for producers in China PR:

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

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

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

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

criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph.

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

30. The Authority has examined the alternatives available under paragraph 7 of Annexure I for determination of normal value. First, none of the interested parties, including the domestic industry, has furnished reliable information regarding the price or constructed value of the like article in an appropriate market economy third country. Therefore, the first alternative could not be applied. Second, the Authority examined whether the price of the like article exported from an appropriate market economy third country to other countries, including India, could be used. However, the PUC is imported under various tariff classifications, making it difficult to identify reliable product-specific export prices. Further, imports of the PUC from third countries into India are negligible. The second alternative was, therefore, also not considered suitable.

31. Accordingly, in the absence of reliable information for applying the first two alternatives, the Authority has proceeded on the third basis contemplated under paragraph 7, namely, "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". The normal value has accordingly been constructed with reference to the optimised cost of production of the applicant having the lowest cost, after making appropriate adjustments for selling, general and administrative expenses and adding a reasonable profit. The normal value so determined has been considered for calculation of the dumping margin, as reflected in the table below.

F.3.2 <u>Export price for China PR</u>

32. In the absence of participation from the producers/exporters in the subject country, the export price has been determined on the basis of facts available in accordance with Rule 6(8) of the Anti-Dumping Rules. For this purpose, the Authority has relied upon the import data furnished by DGCI&S. Appropriate adjustments have been made towards ocean freight, inland transportation, port-related expenses, insurance, credit cost, bank charges and commission based on the facts available on record. The ex-factory export price so determined has been considered for the purpose of the dumping margin calculations and is set out in the dumping margin table below.

F.3.3 Dumping margin

33. Based on normal value and export price is determined as above, the dumping margin has been determined below.

Dumping margin table

Particular	Normal Value (USD/MT)	Export Price (USD/MT)	Dumping Margin (USD/MT)	Dumping Margin %	Dumping Margin Range
China					
HEDP Acid	***	***	***	***	30-40
ATMP Acid	***	***	***	***	40-50

G. ASSESSMENT OF INJURY AND CAUSAL LINK

G.1 Submissions made by the other interested parties

34. None of the other interested parties have submitted any comments about injury and causal link.

G.2 Submission of the domestic industry

35. The domestic industry has made the following submissions with regard to injury and causal link:
The following is a consolidated version of the submissions, with repetitive points merged while retaining all substantive arguments:

i. The volume of imports of HEDP Acid and ATMP Acid increased during the POI and continued to rise sharply in the post-POI period, despite there being no demand-supply gap in the domestic market. The subject imports captured a significant share of the Indian market, resulting in a decline in the domestic industry's market share and sales.

ii. The exporters from the subject countries deliberately reduced their export prices after 2021-22, when the domestic industry expanded its capacity to meet market demand. The decline in the landed price of imports was disproportionately higher than the decline in the price of yellow phosphorus during the POI and continued in the post-POI period even when the price of yellow phosphorus increased.

iii. The continuously declining landed price of imports resulted in significant price undercutting, suppression, and depression. In order to compete with the subject imports, the domestic industry was compelled to reduce its selling prices at a rate higher than the decline in its costs, leading to intense price competition.

iv. The decline in the landed price relative to the domestic industry's raw material cost significantly reduced the mark-up available to the domestic industry, which directly impacted its profitability.

v. As a consequence, the domestic industry suffered significant financial injury in the form of losses, cash losses, and negative returns on investment. Although losses moderated during the POI due to lower costs, they persisted despite a substantial reduction in fixed costs and worsened further in the post-POI period as the domestic industry was forced to reduce prices despite increasing costs.

vi. The continued dumping adversely affected the domestic industry's ability to raise capital investments. The domestic industry also maintained inventories sufficient to replace the entirety of imports.

vii. The exporters in the subject countries possess significant surplus capacities, posing a continued threat of increased dumped exports to India and further injury to the domestic industry.

viii. The injury suffered by the domestic industry has been caused solely by the dumped imports from the subject countries, and no other known factor has contributed to such injury.

G.3 Examination by the Authority

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

G.3.1 Injury examination with respect to HEDP Acid

G.3.1.1. Volume effect of dumped imports

a. Assessment of demand/consumption

37. The Authority has determined demand or apparent consumption of the product in India as the sum of domestic sales of the domestic industry and imports of HEDP Acid from all sources.

Particulars	UOM	2021-22	2022-23	2023-24	POI
Subject imports	MT	5,115	2,626	1,453	1,967
Trends	Indexed	100	51	28	38
Other imports	MT	0	20	0	0
Sales of domestic industry	MT	***	***	***	***
Trend	Indexed	100	99	122	152
Captive consumption of domestic industry	MT	***	***	***	***
Trend	Indexed	100	114	160	163
Total demand-excluding captive	**MT**	***	***	***	***
Trend	Indexed	100	78	81	102
Total demand-including Captive	**MT**	***	***	***	***
Trend	Indexed	100	93	113	127

38. It is seen that the demand (Excluding Captive) of the subject goods declined in 2022-23 from the base year. However, the same increased during the subsequent year and POI. It is also noted that demand remained almost the same during the POI as compared to base year.

b. Imports in absolute and relative terms

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

Particulars	UOM	2021-22	2022-23	2023-24	POI
Subject imports	MT	5,115	2,626	1,453	1,967
Other imports	MT	0	20	0	0
Total imports	MT	5,115	2,646	1,453	1,967
Indian production	MT	***	***	***	***
Trend	Indexed	100	74	83	97
Indian consumption - including captive	MT	***	***	***	***
Trend	Indexed	100	93	113	127
Subject imports in relation to					
Indian production	%	***	***	***	***
Trend	Indexed	100	69	34	40

Indian consumption - including captive	%	***	***	***	***
Trend	Indexed	100	55	25	30
Total imports	%	100%	99%	100%	100%

40. **It is noted that:**

i. The volume of imports from the subject country declined significantly from 5,115 MT in 2021-22 to 2,626 MT in 2022-23 and further to 1,453 MT in 2023-24. Thereafter, imports increased to 1,967 MT in the POI. During the injury period, the imports of subject goods declined significantly.
ii. With the strengthening of domestic production capability, imports declined sharply in relation to both Indian production and Indian consumption. Imports as a percentage of production declined from ***% in 2021-22 to ***% in 2023-24, while imports as a percentage of consumption declined from ***% to ***% during the same period, although these ratios increased moderately in the POI.
iii. The subject imports constituted almost the entire volume of imports of the subject goods into India throughout the injury period, accounting for 99–100% of total imports, whereas imports from other countries remained negligible.

G.3.1.2. Price effect of the dumped imports

41. In terms of Annexure II (ii) of the Rules, with regard to the effect of the dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product 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.

a. Evolution of price

42. The major feedstock required for the production of HEDP Acid is yellow phosphorus. The Authority has examined the raw material costs and import prices over the injury period. The relevant information is tabulated below.

Particulars	UOM	2021-22	2022-23	2023-24	POI
Subject imports	₹/MT	1,60,016	1,46,823	93,054	93,789
Change versus previous year	%		-8%	-37%	1%
Change over injury period	%				-41%
Yellow phosphorous	₹/MT	3,33,252	4,66,629	3,39,429	3,23,060
Change	%		40%	-27%	-5%
Change over injury period	%				-3%

43. The Authority notes that during 2022-23, the price of yellow phosphorus, a major raw material, increased significantly by 40%. However, despite such increase in raw material costs, the selling price of HEDP Acid declined during the same period. Subsequently, in 2023-24, both the price of the raw material and the selling price of HEDP Acid declined. Nevertheless, the decline in the selling price of HEDP Acid was substantially greater than the decline in the raw material cost.

44. Further, during 2024-25, although the decline in subject imports was not commensurate with the reduction in raw material prices, such decline was insufficient to neutralize the adverse impact of the earlier reductions in selling prices. Overall, during the injury period, while the price of yellow phosphorus declined by about 3%, the price of the subject goods declined by about 41%, indicating a significant erosion in the selling prices of the domestic industry.

b. Price undercutting

45. Price undercutting has been determined by comparing the net sales realization of the domestic industry with the landed price of the imports for the POI. The table below shows the price undercutting from the subject countries.

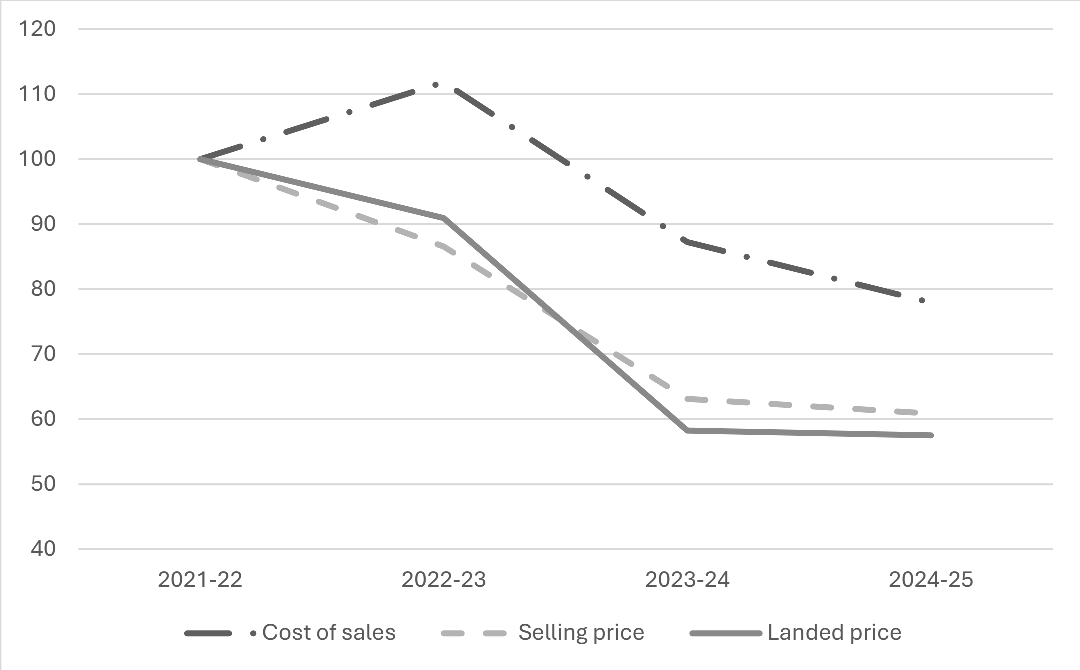
Particulars	UOM	POI
Net sales realization	₹/MT	***
Landed price	₹/MT	93,789
Price undercutting	₹/MT	***
Price undercutting	%	***
Price undercutting	% Range	Negative

46. It is observed that the landed price of imports from the subject country was higher than the domestic industry's net sales realisation during POI. The imported goods were sold at ₹ ***per MT above the domestic industry's selling price, resulting in negative price undercutting of -***%.

47. This demonstrates that the subject imports were not undercutting the prices of the domestic industry during the period.

c. Price suppression and depression

48. 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 normal course, the changes in the costs and prices over the injury period, were compared as below:



Particulars	UOM	2021-22	2022-23	2023-24	2024-25
Cost of sales	₹/MT	***	***	***	***
Trend	Indexed	100	112	87	78
Selling price	₹/MT	***	***	***	***
Trend	Indexed	100	87	63	61
Landed price	₹/MT	1,60,016	1,46,823	93,054	93,789
Trend	Indexed	100	92	58	59

49. Over the injury period as a whole, the selling price of the domestic industry declined by about 39%, whereas the cost of sales declined by only about 22%. Further, while the landed price of imports remained above the cost of sales during the first two years, it fell below the cost of sales during the subsequent two years. The substantially larger decline in selling prices compared with costs, coupled with imports being priced below the cost of sales in the later years, demonstrates that the subject imports have caused significant price suppression and price depression to the domestic industry.

G.3.1.3. Economic parameters of the domestic industry

50. Annexure II to the Anti-Dumping Rules provides that the examination of the impact of dumped imports on the domestic industry shall involve an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry. Such factors include, inter alia, actual and potential decline in sales, profits, output, market share, productivity, return on investments and capacity utilisation; factors affecting domestic prices; the magnitude of the margin of dumping; and actual and

potential adverse effects on cash flow, inventories, employment, wages, growth and the ability to raise capital investments.

51. The Authority has accordingly examined the various injury parameters relating to the domestic industry and has undertaken an objective assessment thereof, taking into account the facts available on record as well as the submissions and arguments advanced by the interested parties.

a. Production, capacity, capacity utilisation and domestic sales

52. Information on capacity, production, capacity utilization and domestic sales over injury period is as follows:

Particulars	UOM	2021-22	2022-23	2023-24	2024-25
Installed capacity	MT	***	***	***	***
Trend	Indexed	100	137	166	171
Production of plant	MT	***	***	***	***
Trend	Indexed	100	75	103	120
Production of subject goods	MT	***	***	***	***
Trend	Indexed	100	74	83	97
Capacity utilization	%	***	***	***	***
Trend	Indexed	100	55	62	70
Domestic sales	MT	***	***	***	***
Trend	Indexed	100	99	122	152
Export sales	MT	***	***	***	***
Trend	Indexed	100	65	55	62
Captive consumption	MT	***	***	***	***
Trend	Indexed	100	114	160	163

53. The Authority notes that:

i. The installed plant capacity of the domestic industry increased continuously over the injury period, rising by about 37% in 2022-23, by about 66% in 2023-24, and by about 71% in 2024-25 as compared with the base year. This indicates substantial expansion of domestic production capacity during the period. However, the production against such capacities have declined in year 2022-23, slightly increased during the year 2023-24 and POI. Against increase of 71% in installed capacity since base year, the increase in production is only 20%.

ii. The production of subject goods declined sharply by about 26% in 2022-23, but increased by about 11% in 2023-24 and by about 17% in 2024-25 over the previous year. Nevertheless, when compared with the base year, production of subject goods remained marginally lower by about 3% in 2024-25, indicating an overall slight decline despite the subsequent recovery.

iii. The plant capacity utilisation followed a similar pattern. It declined from ***% in the base year to ***% in 2022-23, representing a fall of about 45%. Thereafter, utilisation improved to ***% in 2023-24 and further to ***% in 2024-25. However, even in 2024-25, capacity utilisation remained about 30% below the base-year level, reflecting significant under-utilisation of the expanded capacity.

iv. Domestic sales increased over the injury period. After remaining almost unchanged in 2022-23, domestic sales increased by about 23% in 2023-24 and by about 52% in 2024-25 as compared with the base year. Captive consumption also increased consistently, rising by about 14% in 2022-23, by about 60% in 2023-24, and by about 63% in 2024-25 over the base year. In contrast, export sales declined sharply by about 35% in 2022-23, by about 45% in 2023-24, and remained about 38% below the base-year level in 2024-25.

v. Considering that domestic sales increased substantially and captive consumption also expanded, the overall decline in production could likely be due to a decline in export sales.

b. Market share

54. The Authority has examined the effect of the dumped imports on the market share of the domestic industry, and imports from subject countries and other countries as under.

Market share of	**UOM**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Subject imports	%	***	***	***	***
Trend	Indexed	100	66	35	38
Other imports	%	***	***	***	***
Trend	Indexed	-	-	-	-
Domestic industry	%	***	***	***	***
Trend	Indexed	100	127	151	149
Total	%	100%	100%	100%	100%

55. It is seen that the market share of the domestic industry increased from ***% to ***%, while the share of subject imports declined from ***% to ***%.

c. Inventories

56. The inventories with the domestic industry over the injury period is given in the table below:

Particulars	**UOM**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Opening inventory	MT	***	***	***	***
	Indexed	100	127	91	71
Closing inventory	MT	***	***	***	***
	Indexed	100	72	56	71
Average inventory	MT	***	***	***	***

Trend	Indexed	100	96	72	71

57. The Authority notes that the average inventory of the domestic industry declined over the injury period and remained significantly below the base-year level during the POI, indicating the absence of inventory accumulation.

d. Profitability, cash profit and return on capital employed

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

Particulars	UOM	2021-22	2022-23	2023-24	2024-25
Cost of sales	₹/MT	***	***	***	***
Trend	Indexed	100	112	87	78
Selling price	₹/MT	***	***	***	***
Trend	Indexed	100	87	63	61
Profits / loss	₹/MT	***	***	***	***
Trend	Indexed	100	-45	-62	-28
Profits / loss	₹ Lakhs	***	***	***	***
Trend	Indexed	100	-45	-76	-43
Cash profits	₹ Lakhs	***	***	***	***
Trend	Indexed	100	-30	-59	-27
Cash profits	₹/MT	***	***	***	***
Trend	Indexed	100	-30	-49	-18
Return on capital employed	%	***	***	***	***
Trend	Indexed	100	-43	-87	-40

59. It is seen that:

i. The domestic industry was earning profits in the base year. However, in 2022-23, the cost of sales increased by about 12% while the selling price declined by about 13% due to the decline in the landed price of imports. As a result, the domestic industry's profitability deteriorated sharply and it moved from profits to losses during the year.

ii. The domestic industry incurred losses in 2022-23, and the losses further increased in 2023-24. Although the quantum of losses reduced in 2024-25 compared to 2023-24, the domestic industry continued to remain in a loss-making position, indicating that the industry was still under adverse conditions.

iii. The profit per unit of the domestic industry declined from a positive level in the base year to a loss in 2024-25. This represents a deterioration of about 128%, reflecting a complete erosion of profitability and a transition from profits to sustained losses over the injury period.

iv. A similar trend is evident in cash profits and return on capital employed. Cash profits declined by about 127%, while return on capital employed declined by about 140% over the injury period. Although both indicators showed some improvement in 2024-25 compared with the immediately preceding year, they remained negative, demonstrating that the financial performance and returns generated by the domestic industry continued to be significantly adverse.

e. Employment, wages and productivity

60. Information on employment, wages and productivity over the injury period is as under:

Particulars	UOM	2021-22	2022-23	2023-24	2024-25
No. of employees	Nos	***	***	***	***
Trend	Indexed	100	102	90	101
Salaries and wages	₹ Lakhs	***	***	***	***
Trend	Indexed	100	88	88	93
Productivity per employee	MT/Nos	***	***	***	***
Trend	Indexed	100	91	95	93
Productivity per day	MT/Day	***	***	***	***
Trend	Indexed	100	75	83	97

61. The Authority notes that salaries and wages, productivity per day, and productivity per employee declined during 2022-23. While salaries and wages declined further in 2023-24, the productivity parameters improved on account of the increase in production during the year. During the POI, both salaries and wages, as well as productivity, recorded an increase. The Authority further notes that the number of employees declined in 2023-24 but increased during the POI. The domestic industry has not alleged material injury with respect to these parameters, and the examination thereof does not reveal any adverse trend indicative of material injury.

f. Growth

62. The information on growth is provided below: -

Particulars	UOM	2022-23	2023-24	2024-25
Capacity	%	37%	21%	3%
Production	%	-26%	11%	17%
Domestic sales	%	-1%	23%	25%
Profit / loss	%	-145%	-69%	44%
Cash profits	%	-130%	-97%	54%

Return on capital employed	%	-143%	-105%	54%

63. The Authority notes that the domestic industry undertook significant capacity expansion during the injury period. While production and domestic sales initially declined or remained subdued in 2022-23, both parameters registered improvement in the subsequent years. The financial performance of the domestic industry also exhibited recovery during the POI, as reflected in the improvement in profit/loss, cash profits, and return on capital employed.

g. Ability to raise capital investment

64. The Authority notes that the domestic industry has augmented its production capacity over the injury period. However, notwithstanding such capacity expansion, the domestic industry continues to suffer financial losses, cash losses, and a negative return on capital employed. It is further noted that the domestic industry has incurred losses even before accounting for interest expenses, indicating an adverse operational performance. In view of the sustained financial deterioration, the Authority considers that the ability of the domestic industry to mobilize or raise further capital investment has been adversely affected.

h. Factor affecting the domestic prices.

65. The Authority notes that the examination of the price parameters reveals that the landed price of the subject imports is below the cost of sales of the domestic industry during 2023-2024 and POI. It is further observed that there exists significant price competition between the imported goods and the goods produced by the domestic industry, as a result of which the domestic industry has been compelled to sell the subject goods at prices comparable to the landed price of the subject imports. Consequently, the domestic industry has been unable to realise remunerative prices in the market. Although the domestic industry has recorded improvement in the volume parameters, such improvement has been achieved at the expense of its profitability. In view of the foregoing, the Authority concludes that the subject imports have had a suppressing and depressing effect on the prices of the domestic industry and have materially affected its pricing ability.

i. Magnitude of dumping

66. 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 in the POI

G.3.1.4. Analysis of injury

67. In view of the foregoing examination of the volume and price effects of the subject imports and the consequent impact on the domestic industry, it is noted that:

a. The volume of subject imports declined up to 2023-24 in the context of the increase in the domestic industry's capacities and production. Thereafter, the volume of subject imports increased during the POI. Overall, the import of subject goods declined during the injury period.
b. The import of subject goods from the subject country declined in relation to production and consumption.
c. The prices of the subject imports declined more than the decline in the price of the principal feedstock, Yellow Phosphorous.
d. The reduction in import prices exerted significant price pressure on the domestic industry and compelled it to reduce its selling prices, higher than the reduction in its cost of sales.
e. The landed price of the subject imports declined below the cost of sales of the domestic industry from 2023-24, thereby forcing the domestic industry to sell the subject goods below cost.
f. There exists significant price competition between the imported goods and the goods produced by the domestic industry, and the domestic industry has been compelled to price its products at levels comparable to the landed price of the subject imports.
g. The domestic industry did not witness deterioration in the volume parameters, including capacity, production, domestic sales, market share, and inventories.
h. Notwithstanding the improvement in the volume parameters, the profitability parameters of the domestic industry deteriorated over the injury period.
i. Although profitability improved during the POI as compared with the preceding year, it remained substantially below the level recorded in the base year.
j. The domestic industry incurred financial losses and cash losses and continued to earn a negative return on capital employed.
k. The subject imports adversely affected the prices realised by the domestic industry and impaired its ability to generate adequate returns and mobilise further capital investment.
l. The margin of dumping determined for the subject imports is significant.

G.3.2 <u>Injury examination with respect to ATMP Acid</u>

G.3.2.1. Volume effect of dumped imports

a. Assessment of demand/consumption

68. The Authority has determined demand or apparent consumption of the product in India as the sum of domestic sales of the domestic industry and imports of ATMP Acid from all sources.

Particulars	UOM	2021-22	2022-23	2023-24	POI
Subject imports	MT	487	355	336	335
Sales of domestic industry	MT	***	***	***	***
Trend	Indexed	100	70	103	135
Captive consumption of domestic industry	MT	***	***	***	***
Trend	Indexed	100	18	112	135
Total demand- excluding captive	MT	***	***	***	***
Trend	Indexed	100	71	91	112
Total demand-including captive	MT	***	***	***	***
Trend	Indexed	100	53	98	120

69. It is seen that the demand (Excluding Captive) of the subject goods declined in 2022-23 from the base year. However, the same increased during the subsequent year and POI. It is also noted that demand increased during the POI as compared to base year.

b. Imports in absolute and relative terms

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

Particulars	**UOM**	**2021-22**	**2022-23**	**2023-24**	**POI**
Subject imports	MT	487	355	336	335
Import from other countries	MT	0	0	0	0
Total imports	MT	487	355	336	335
Indian production	MT	***	***	***	***
Trend	Indexed	100	41	88	88
Indian consumption-including captive	MT	***	***	***	***
Trend	Indexed	100	53	98	120
Subject imports in relation to					
Indian production	%	***	***	***	***
Trend	Indexed	100	177	78	78

Indian consumption-including captive	%	***	***	***	***
Trend	Indexed	100	139	70	57
Total imports	%	100%	100%	100%	100%

71. The Authority notes the following:

    i. The volume of imports from the subject countries declined in 2022-23 and further in 2023-24 as compared to the base year, and remained broadly at the same level during the POI.
    ii. With the augmentation of domestic capacities and production, the subject imports declined in relation to both Indian production and Indian consumption over the injury period.
    iii. The subject imports constituted the entire volume of imports of the subject goods into India during the period under consideration.

G.3.2.2. Price effect of the dumped imports

72. In terms of Annexure II (ii) to the Rules, the Authority is required to examine the effect of the dumped imports on the prices of the like article in India. For this purpose, the Authority is required to consider whether there has been significant price undercutting by the dumped imports as compared with the price of the like article produced by the domestic industry, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases that would otherwise have occurred, to a significant degree.

a. Evolution of price

73. The Authority notes that Yellow Phosphorous is the principal feedstock required for the production of ATMP Acid. The Authority has accordingly examined the trend in the cost of the said raw material and the landed prices of the subject goods over the injury period. The relevant information is set out in the table below.

Particulars	UOM	2021-22	2022-23	2023-24	POI
Landed price	₹/MT	1,56,977	1,41,000	89,179	87,217
Change versus previous year	% (Y/Y)	-	-10%	-37%	-2%
Change over injury period					-44%
Yellow phosphorous	₹/MT	3,33,252	4,66,629	3,39,429	3,23,060
Change	% (Y/Y)	-	40%	-27%	-5%
Change over injury period					-3%

74. The Authority notes that, in 2022-23, the price of Yellow Phosphorous increased by about 40%; however, the import price of the subject goods declined by about 10% during the same period. In 2023-24, the price of Yellow Phosphorous declined by about 27%, whereas the import price of the subject goods declined by about 37%, indicating a steeper decline in import prices than in feedstock prices. During the POI, the price of Yellow Phosphorous declined by about 5%, while the import price of the subject goods declined by about 2%. Overall, over the injury period, the price of Yellow Phosphorous declined by about 3%, whereas the import price of the subject goods declined by about 44%, evidencing a disproportionate decline in the prices of the subject imports.

b. Price undercutting

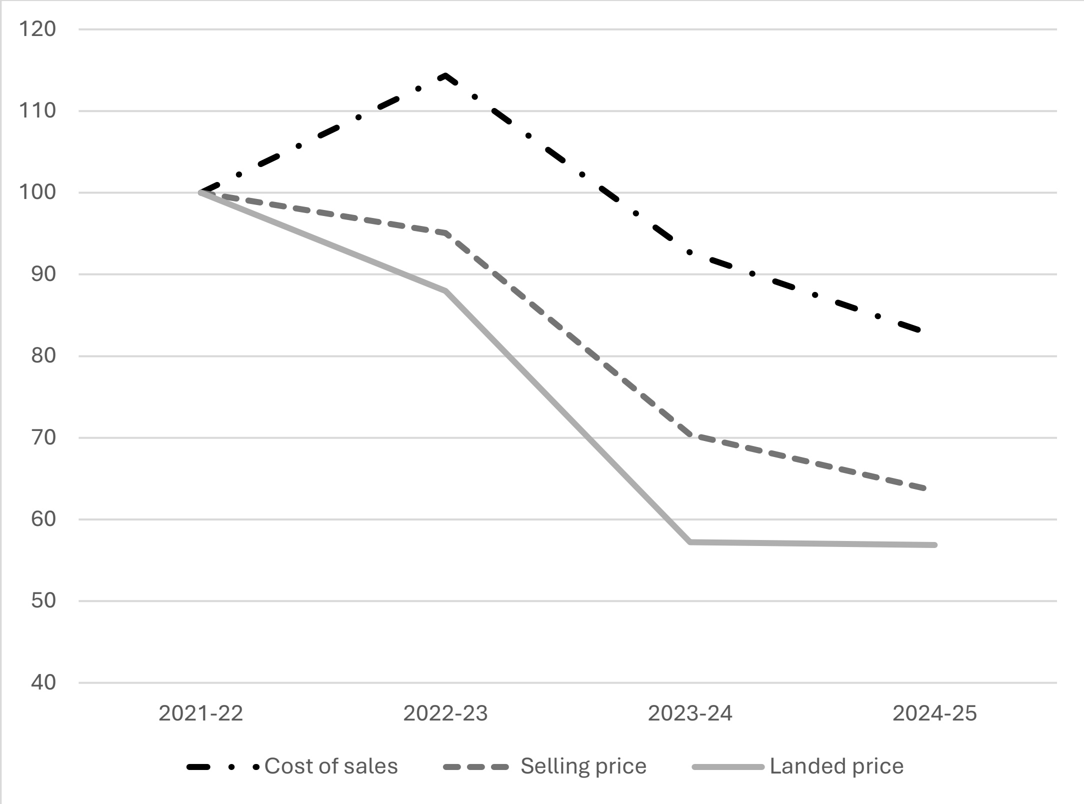
75. The Authority has determined the price undercutting for the POI by comparing the landed price of the subject imports with the net sales realisation of the domestic industry for the like article. The extent of price undercutting in respect of the subject countries is set out in the table below.

Particulars	UOM	POI
Net sales realization	₹/MT	***
Landed price	₹/MT	87,217
Price undercutting	₹/MT	***
Price undercutting	%	***
Price undercutting	% Range	0-10%

76. It is noted that the landed price of the subject imports significantly undercut the selling price of the domestic industry during the POI.

c. Price suppression and depression

77. 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 normal course, the changes in the costs and prices over the injury period, were compared as below:



Particulars	UOM	2021-22	2022-23	2023-24	2024-25
Cost of sales	₹/MT	***	***	***	***
Trend	Indexed	100	114	93	83
Selling price	₹/MT	***	***	***	***
Trend	Indexed	100	95	70	64
Landed price	₹/MT	1,56,977	1,41,000	89,179	87,217
Trend	Indexed	100	90	57	56

78. The Authority notes that the cost of sales of the domestic industry increased in 2022-23, whereas the selling price declined during the same period. In 2023-24, both the cost of sales and the selling price declined; however, the decline in the selling price was significantly higher than the decline in the cost of sales. During 2024-25, the selling price continued to decline and remained below the cost of sales of the domestic industry. The Authority further notes that the landed price of the subject imports declined sharply over the injury period and remained below the cost of sales of the domestic industry in 2023-24 and 2024-25. The decline in the selling price of the domestic industry closely followed the decline in the landed price of the subject imports, indicating significant price pressure exerted by the imports on the domestic industry.

79. Overall, over the injury period, the cost of sales declined by about 17%, whereas the selling price declined by about 36% and the landed price of the subject imports declined by about 44%. The substantially higher decline in the selling price of the domestic

industry, as compared with the decline in its cost of sales, evidences significant price suppression and price depression caused by the subject imports.

G.3.2.3. Economic parameters of the domestic industry

80. Annexure II to the Rules provides that the examination of the impact of the dumped imports on the domestic industry shall 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 utilisation of capacity; factors affecting domestic prices; the magnitude of the margin of dumping; and actual and potential negative effects on cash flow, inventories, employment, wages, growth, and the ability to raise capital investment. The various injury parameters relating to the domestic industry are examined hereinafter. The Authority has conducted an objective examination of these parameters after taking into account the facts on record and the submissions, arguments, and rejoinders filed by the interested parties.

a. Production, capacity, capacity utilisation and domestic sales

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

Particulars	UOM	2021-22	2022-23	2023-24	2024-25
Installed capacity	MT	***	***	***	***
Trend	Indexed	100	137	166	171
Production of plant	MT	***	***	***	***
Trend	Indexed	100	75	103	120
Production of subject goods	MT	***	***	***	***
Trend	Indexed	100	41	88	88
Capacity utilization	%	***	***	***	***
Trend	Indexed	100	55	62	70
Domestic sales	MT	***	***	***	***
Trend	Indexed	100	70	103	135
Export sales	MT	***	***	***	***
Trend	Indexed	100	71	95	68
Captive consumption	MT	***	***	***	***
Trend	Indexed	100	18	112	135

82. It is noted that:-

i. The installed plant capacity of the domestic industry increased significantly over the injury period. However, the production against such capacities have only slightly increased.
ii. The production of the plant declined in 2022-23 but recovered thereafter and increased substantially during 2024-25.
iii. The production of the subject goods declined sharply in 2022-23, recovered in 2023-24, and remained broadly at the same level during 2024-25.
iv. The plant capacity utilisation declined significantly in 2022-23 but improved progressively during the subsequent years, although it remained below the base year level.
v. Domestic sales declined in 2022-23 but recovered thereafter and increased substantially during 2024-25.
vi. Export sales declined over the injury period and remained below the base year level.
vii. Captive consumption increased significantly during the latter part of the injury period.
viii. Overall, the volume parameters of the domestic industry, including installed capacity, plant production, domestic sales, and captive consumption, show improvement during the latter part of the injury period.

b. Market share

83. The Authority has examined the effect of the dumped imports on the market share of the domestic industry and the market share of imports from the subject countries and other countries. The relevant information is set out in the table below.

Market share of	UOM	2021-22	2022-23	2023-24	2024-25
Subject imports	%	***	***	***	***
Trend	Indexed	100	102	76	62
Domestic industry	%	***	***	***	***
Trend	Indexed	100	99	114	121
Total	**%**	100%	100%	100%	100%

84. The Authority notes that the market share of the subject imports declined over the injury period, while the market share of the domestic industry increased correspondingly. The domestic industry was able to strengthen its presence in the domestic market during the injury period. However, the market share of the subject imports remained significant during the POI, and this parameter is evaluated in conjunction with the other economic parameters to assess the overall condition of the domestic industry.

c. Inventories

85. The inventories with the domestic industry over the injury period is given in the table below:

Particulars	UOM	2021-22	2022-23	2023-24	2024-25
Opening inventory	MT	***	***	***	***
	Indexed	100	197	90	75
Closing inventory	MT	***	***	***	***
	Indexed	100	45	38	33
Average inventory	MT	***	***	***	***
	Indexed	100	96	55	47

86. Average inventory has steadily declined over the injury period, representing an overall reduction of approximately 53% in POI as compared to the base year.

87. Overall, the data reflects a consistent downward trend in inventory holdings, with the inventory base reducing significantly over the period under review. This suggests that the entity has progressively lowered its inventory levels, particularly from 2023-24 onwards.

d. Profitability, cash profit and return on capital employed

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

Particulars	UOM	2021-22	2022-23	2023-24	2024-25
Cost of sales	₹/MT	***	***	***	***
Trend	Indexed	100	114	93	83
Selling price	₹/MT	***	***	***	***
Trend	Indexed	100	95	70	64
Profits / loss	₹/MT	***	***	***	***
Trend	Indexed	100	27	-8	-4
Profits / loss	₹ Lakhs	***	***	***	***
Trend	Indexed	100	19	-9	-5
Cash profits	₹ Lakhs	***	***	***	***
Trend	Indexed	100	23	-2	2
Cash profits	₹/MT	***	***	***	***
Trend	Indexed	100	33	-2	2
Return on capital employed	%	***	***	***	***
Trend	Indexed	100	29	-4	-3

89. It is noted that:

i. The domestic industry earned profits in the base year. However, with the increase in the cost of sales and decline in selling prices, profitability deteriorated sharply and turned into losses from 2023-24 onwards.

ii. The profits declined from ₹*** lakhs in the base year to ₹*** lakhs in 2022-23 and thereafter turned into losses. Although the losses reduced during the POI, the domestic industry continued to incur losses.
iii. The profit per unit declined from ₹***/MT in the base year to a loss of ₹***/MT during the POI, reflecting a deterioration of 104%.
iv. Cash profits and return on capital employed followed a similar trend. While cash profits turned marginally positive during the POI, they remained significantly below the base year level. The return on capital employed remained negative during 2023-24 and the POI, indicating continued financial injury to the domestic industry.

e. Employment, wages and productivity

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

Particulars	UOM	2021-22	2022-23	2023-24	2024-25
No. of employees	Nos	***	***	***	***
Trend	Indexed	100	49	78	95
Salaries and wages	₹ Lakhs	***	***	***	***
Trend	Indexed	100	72	88	96
Productivity per employee	MT/Nos	***	***	***	***
Trend	Indexed	100	83	98	90
Productivity per day	MT/Day	***	***	***	***
Trend	Indexed	100	41	87	88

91. It is seen that the number of employees declined in 2022-23 but recovered thereafter to reach near the base year level during the POI. Salaries and wages followed a similar trend and remained marginally below the base year level. Productivity per employee and productivity per day declined during the injury period. Although both indicators improved after 2022-23, they continued to remain below the base year level during the POI, indicating that productivity has not fully recovered. The Authority also notes that the domestic industry has not alleged material injury on account of these parameters, and the examination of the same does not indicate any adverse trend warranting a finding of injury in this regard.

f. Growth

92. The growth of the domestic industry in terms of capacity, production, domestic sales volume, profits, cash profits and the return on capital employed is as per the given table below:

Particulars	UOM	2022-23	2023-24	2024-25
Capacity	%	37%	21%	3%

Production	%	-59%	115%	-1%
Domestic sales	%	-30%	47%	31%
Profit / loss per MT	%	-73%	-131%	57%
Cash profits	%	-67%	-105%	200%
Return on capital employed	%	-71%	-114%	20%

93. It is noted that the domestic industry witnessed positive growth in the volume parameters. However, the profitability parameters recorded negative growth during 2022-23 and 2023-24. While there was some improvement during the POI, the performance continued to remain significantly below the base year level.

g. Ability to raise capital investment

94. The Authority notes that the domestic industry had increased its overall production capacity common for PUC and NPUCs, over the period. However, it is suffering from financial losses and a negative return on capital employed. The domestic industry has incurred losses, even before providing for interest. Therefore, the ability to raise further capital investment has been adversely impacted.

h. Factor affecting the domestic prices.

95. The examination of prices shows that the landed price of subject imports is below the cost of sales of the domestic industry. Further, there is price competition between domestic industry and imported goods, and the domestic industry is being forced to sell the subject goods at prices comparable to the landed price. The domestic industry has not been able to charge a remunerative price in the market. While the volume parameters of the domestic industry have improved, the same have been at the cost of its profitability. The Authority therefore holds that the subject imports have affected the prices of the domestic industry.

i. Magnitude of dumping

96. The Authority notes that the subject goods originating in or exported from the subject country are being dumped into India. The dumping margin is positive and significant.

G.3.2.4. Analysis of injury

97. In view of the foregoing, the Authority concludes as below :-

a. The volume of subject imports declined in 2023-24 following the increase in the domestic industry's capacity and production. The Imports remained broadly at the same level during the POI.

b. Landed price of the subject imports declined at a rate significantly higher than the decline in the price of the key feedstock, Yellow Phosphorous.
c. The decline in import prices constrained the domestic industry to reduce its selling prices, despite a comparatively lower decline in its cost of sales.
d. The landed price of the subject imports remained below the cost of sales of the domestic industry, compelling it to sell below cost.
e. The subject imports undercut the selling prices of the domestic industry during the POI.
f. The domestic industry did not witness any deterioration in the volume parameters, including capacity, production, domestic sales, market share and inventories.
g. The profitability parameters of the domestic industry deteriorated over the injury period.
h. Although profitability improved during the POI over the preceding year, it remained significantly below the base year level.
i. The domestic industry incurred financial losses, recorded a decline in cash profits, and earned a negative return on capital employed.
j. The subject imports adversely affected the domestic industry's prices and impaired its ability to raise further capital investment.
k. The dumping margin is positive and significant.

H. NON-ATTRIBUTION ANALYSIS

98. The Authority examined whether other factors listed under the anti-dumping Rules could have caused injury to the domestic industry. The Authority examined known factors other than the dumped imports and ascertained whether these, at the same time, have been injuring the domestic industry, so that the injury caused by other, if any, is not attributable to the dumped imports. Factors which are relevant in this respect include, inter alia, the volume of subject goods not sold at dumped prices, contraction in demand or changes in the pattern of consumption, trade restrictive practices, changes in technology, the export performance of the domestic industry and the productivity of the domestic industry.

a. Volume and price of imports from third countries

99. The Authority notes that imports of HEDP Acid from countries other than the subject country were almost nil. Further, there were no imports of ATMP Acid from countries other than the subject country.

b. Contraction in demand

100. The Authority notes that the demand for HEDP Acid and ATMP Acid increased over the injury period. The investigation has not indicated that any decline in demand has caused or is likely to cause injury to the domestic industry.

c. Trade restrictive practices

101. The Authority notes that there is no evidence / information of any trade restrictive practice that has caused or is likely to cause injury to the domestic industry.

d. Development of technology

102. The Authority notes that the information on record indicates that there has been no change in the technology used for production of the PUC.

e. <u>Export performance</u>

103. The injury information examined hereinabove relates only to the performance of the domestic industry in terms of its domestic market.

f. <u>Performance of other products of the company</u>

104. The Authority has considered data relating to the performance of the subject goods only.

I. FACTORS ESTABLISHING CAUSAL LINK

105. The analysis of the performance of the domestic industry over the injury period indicates that the domestic industry has suffered injury. The causal link between the dumped imports and the injury suffered by the domestic industry is established on the following grounds:

Causal link with respect to HEDP Acid

a. The subject goods are being dumped into India from the subject countries with significant dumping margins.
b. The landed price of the dumped imports declined at a rate higher than the decline in raw material prices, exerting pressure on the prices of the domestic industry.
c. The domestic industry faced significant price competition from the subject imports.
d. Although the cost of sales of the domestic industry declined over the injury period, the domestic industry was compelled to reduce its prices significantly due to the continued low-priced imports, which remained below its cost of sales.
e. The subject imports caused price suppression and price depression in the domestic market.
f. The domestic industry was compelled to sell the subject goods at losses and also incurred cash losses.
g. The domestic industry recorded negative returns on capital employed during the injury period.
h. The subject imports adversely affected the ability of the domestic industry to undertake further capital investment.

Causal link with respect to ATMP Acid

a. The subject goods are being dumped into India from the subject countries with significant dumping margins.
b. The landed price of the dumped imports declined at a rate higher than the decline in raw material prices, thereby exerting pressure on the prices of the domestic industry.
c. The subject imports were undercutting the prices of the domestic industry during the injury period.
d. Although the cost of sales of the domestic industry declined over the injury period, the domestic industry was compelled to reduce its prices at a higher rate due to the continued low-priced imports, which remained below its cost of sales.

e. The subject imports caused price suppression and price depression in the domestic market.
f. The domestic industry was compelled to sell at losses and witnessed a decline in cash profits.
g. The domestic industry recorded negative returns on capital employed.
h. The subject imports adversely affected the ability of the domestic industry to raise further capital investment.

J. MAGNITUDE OF INJURY MARGIN

106. The Authority has determined the NIP for the domestic industry in accordance with the principles laid down under the AD Rules read with Annexure III, as amended. The NIP has been determined based on the verified cost of production information provided by the domestic industry. The same has been considered for comparison with the landed price of the subject imports for determination of the injury margin. While determining the NIP, the Authority has considered optimum utilisation of raw materials, utilities and production capacity during the injury period. Extraordinary and non-recurring expenses have been excluded from the cost of production. Further, a reasonable pre-tax return of 22% on the average capital employed (comprising average net fixed assets and average working capital) has been allowed to arrive at the NIP, as prescribed under Annexure III to the AD Rules.

107. The landed price and the non-injurious price determined above have been compared for the PUC. The injury margin determined for the subject producers/exporters is provided in the table below.

Particular	**NIP**	**Landed price**	**Injury Margin**	**Injury Margin**	**Injury Margin**
($)	**($/MT)**	**($/MT)**	**($/MT)**	**%**	**Range**
China					
HEDP Acid	***	***	***	***	10-20
ATMP Acid	***	***	***	***	15-25

K. INDIAN INDUSTRY'S INTEREST AND OTHER ISSUES

K.1 Submissions made by the other interested parties

108. None of the interested parties has submitted any comments with regard to the Indian industry's interest.

K.2 Submission by the domestic industry

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

i. The imposition of anti-dumping duty would not have any adverse impact on downstream users and would be in the larger public interest.

ii. The absence of participation from the user industry indicates that the measures are not likely to have any adverse impact on users.

iii. The subject goods are not used as raw materials or major inputs by users and are primarily used as specialty additives in applications such as water treatment, detergents, textiles, etc.

iv. HEDP Acid and ATMP Acid do not constitute a significant cost component for users. Any increase in prices due to the duties is expected to be negligible and would not adversely impact users.

v. The only importer participating in the investigation has earned substantial profits, whereas the domestic industry has suffered losses.

vi. The end-users of the subject goods are primarily large-scale corporations and are not likely to be significantly impacted by any change in the prices of the subject goods.

vii. There is no demand-supply gap for the subject goods in India, and imports are not essential to meet domestic demand.

viii. The subject goods are available from sources other than the subject country at fair and competitive prices.

ix. There is a need to protect the investments made by the domestic industry. Further, the domestic industry contributes to social welfare through CSR activities, which should be encouraged.

x. The imposition of duties is necessary to ensure the viability of production of the upstream product, Phosphorous Trichloride.

xi. The imposition of duties is aligned with the objective of promoting self-sufficiency in the country.

xii. Non-imposition of duties may result in increased dependence on imports and expose users to potential exploitation by exporters.

xiii. The imposition of duties would contribute towards conserving foreign exchange outflows.

K.3 Examination by the Authority

110. The Authority notes that the objective of anti-dumping duties is to address the injury caused to the domestic industry due to unfair trade practices and to restore conditions of fair competition in the Indian market. The imposition of anti-dumping measures is not intended to restrict imports from the subject countries but to ensure a level playing field between the domestic industry and imports. While such measures may have an impact on the price levels of the product in India, they do not impede competition or consumer choice. Rather, anti-dumping measures prevent the continuation of unfair price advantages arising from dumping practices and promote fair trade conditions in the market.

111. The Authority issued the initiation notification inviting views and submissions from all interested parties, including importers, users and consumers. An Economic Interest Questionnaire was also prescribed to enable stakeholders, including the domestic industry, producers/exporters and importers/users/consumers, to furnish relevant information regarding the present investigation and the possible impact of anti-dumping duty on their operations. However, none of the producers/exporters participated or submitted any information before the Authority. Further, although one importer/user registered itself as an interested party, they neither submitted a response to the Economic Interest Questionnaire nor provided any other information.

112. The domestic industry has submitted that the imposition of duties would not have any significant impact on downstream users, which primarily comprise large-scale corporations such as ONGC Limited and Indian Oil Corporation Limited. It has further submitted that HEDP Acid and ATMP Acid are neither major inputs nor raw materials for users and are used only as chelating agents in small quantities. Accordingly, the domestic industry has claimed that the imposition of duties would not have any significant impact on the ultimate users.

113. The Authority notes that HEDP Acid and ATMP Acid are primarily used as sequestering or chelating agents in water treatment applications, including refineries and petrochemical complexes. Further, HEDP Acid is also used in detergents and soaps. Based on the information provided by the domestic industry in its written submissions and as reflected in the tables below, the Authority notes that the imposition of duties would result in an increase of less than 1% in the cost of the ultimate downstream users.

<u>HEDP Acid used in water treatment for refinery / petrochemicals complex</u>

Particulars	Unit		Value	Value
Annual water-cooling contract value	₹	A	20,00,00,000	20,00,00,000
Dosage of HEDP Acid in water treatment	PPM	B	3	5
HEDP Acid used	kg / day	C	108	180
HEDP Acid used	kg / year	D = C*365	39,420	65,700
Landed price of HEDP Acid	₹/kg	E	94	94
Cost of HEDP Acid in a year	₹	F = E*D	37,01,340	61,68,900
Cost of HEDP Acid in relation to contract value	%	G = F/A*100	1.85%	3.08%
Anti-dumping duty on HEDP Acid (at $200 per MT)	₹	H	17	17

Increased cost of HEDP Acid after duty in relation to contract value	%	I = H*D	6,70,140	11,16,900
Net impact on water cooling contract	%	J = I/A*100	0.34%	0.56%

HEDP Acid used in detergents / soaps

Particulars	Unit		Value
Average cost of 1 kg detergent / soap	₹	A	55
Cost of 100 kg detergent	₹	B = A*100	5,500
HEDP Acid used in 100 kg	g	C	200
Landed price of HEDP Acid	₹/kg	D	94
Cost of HEDP Acid used in 100 kg detergent	₹	E = C*D / 1000	19
Cost of HEDP Acid in relation to detergent	%	F = E/B*100	0.34%
Anti-dumping duty on HEDP Acid (at $200 per MT)	₹	G	17
Increased cost of HEDP Acid after duty in relation to detergent	%	H = G*C	3.4
Net impact on cost of detergent / soap	%	J = H/B	0.06%

ATMP Acid used in water treatment for refinery/petrochemicals complex

Particulars	Unit		Value	Value
Annual water-cooling contract value	₹	A	20,00,00,000	20,00,00,000
Dosage of ATMP Acid in water treatment	PPM	B	3	5
ATMP Acid used	kg / day	C	108	180
ATMP Acid used	kg / year	D = C*365	39,420	65,700
Landed price of ATMP Acid	₹/kg	E	87	87
Cost of ATMP Acid in a year	₹	F = E*D	34,15,073	57,15,900
Cost of ATMP Acid in relation to contract value	%	G = F/A*100	1.71%	2.86%
Anti-dumping duty on ATMP Acid (at $214 per MT)	₹	H	18	18
Increased cost of ATMP Acid after duty in relation to contract value	%	I = H*D	7,09,560	11,82,600

Net impact on water cooling contract	%	J = I/A*100	0.35%	0.59%

114. The Authority further notes that non-imposition of duties may result in increased dependence on imports from the subject country. Such dependence may provide the subject exporters with an opportunity to exert undue influence in the Indian market, thereby adversely affecting competition and the interests of users.

115. The Authority notes that there is no demand-supply gap in the country necessitating imports of the subject goods. Further, the domestic industry has significant capacities, as claimed by it, which are sufficient to cater to the present and foreseeable demand in India.

L. POST-DISCLOSURE COMMENTS

116. The Authority circulated the disclosure statement containing the essential facts under consideration for arriving at its final determination to all interested parties. The Authority has examined the post-disclosure comments received from the domestic industry to the extent considered relevant. Submissions which merely reiterate earlier submissions and have already been examined in the relevant sections above are not repeated in detail for the sake of brevity.

L.1 Submissions by the other interested parties

117. No post-disclosure comments or submissions have been received from any other interested party.

L.2 Submissions by the domestic industry

118. The domestic industry has made the following submissions after the disclosure statement:

i. **Product scope, domestic industry and dumping.** The domestic industry requests the Authority to confirm the findings in the disclosure statement on the scope of the product under consideration, the status of the applicants as the domestic industry, standing under Rule 5(3), and dumping from China PR.

ii. **Injury to the domestic industry**. For HEDP Acid, it submits that import prices fell much more than raw material prices and remained below the domestic industry's cost, putting pressure on domestic prices and causing losses, cash losses and negative return on capital employed. For ATMP Acid, it makes the same submission and also states that the imports undercut domestic prices. It requests confirmation that the dumped imports caused injury.

iii. **Public interest**. It submits that HEDP Acid and ATMP Acid are used in small quantities as chelating or sequestering agents, sufficient domestic capacity is available, and no user has opposed the measure. It therefore requests confirmation that the duty would not materially affect users and would be in the larger public interest.

iv. **Non-cooperation by exporters.** No producer or exporter from China PR participated in the investigation. Relying on Rule 6(8), paragraph 7 of Annexure II to the WTO Anti-Dumping Agreement and Designated Authority v. Haldor Topsoe A/S, the domestic industry submits that the Authority may use facts available and that non-cooperation should not lead to a more favourable result for the non-cooperating exporters.

v. **Duty and prayer.** It submits that any anti-dumping duty would remain capped at the dumping margin. It requests re-determination of export price and landed price on the above basis and imposition of anti-dumping duty on HEDP Acid and ATMP Acid from China PR.

L.3 Examination by the Authority

119. **Issue 1: Product scope, domestic industry and dumping.** No new fact has been placed on record after the disclosure statement to change these findings. The Authority therefore confirms the scope of the product under consideration, the domestic industry and standing, and the finding of dumping already recorded above.

120. **Issue 2: Injury and causal link.** For HEDP Acid, price undercutting during the POI is negative, but the landed price fell sharply, remained below the domestic industry's cost during 2023-24 and the POI, and put pressure on domestic prices. The domestic industry suffered losses, cash losses and negative return on capital employed. For ATMP Acid, the landed price also fell sharply, undercut domestic prices during the POI and remained below the domestic industry's cost. The Authority therefore confirms its findings on price suppression and depression, injury and causal link.

121. **Issue 3: Public interest.** No user or consumer has filed information showing any significant adverse impact of the duty. Based on the information on record, the impact on downstream users is less than 0.5%, and the domestic industry has sufficient capacity to meet present and foreseeable demand. The Authority therefore confirms its finding on public interest.

122. **Issue 4: Non-cooperation and facts available.** No producer or exporter from China PR filed the prescribed questionnaire response. The Authority has therefore used facts available under Rule 6(8), including official DGCI&S import data and verified information on record. Paragraph 7 of Annexure II and the decision in Haldor Topsoe permit use of facts available where information is withheld.

123. **Issue 5: Duty cap and recommendation.** The fact that anti-dumping duty cannot exceed the dumping margin does not change the method for determining export price or landed price. The dumping margin and injury margin must first be determined under the Act and the Rules. The duty is then recommended under the lesser duty rule. No change to the disclosed determination is required on this ground.

M. CONCLUSION

124. Having examined the submissions made by the interested parties and the issues raised therein, and considering the facts available on record, the Authority concludes the following:

a. The product under consideration is Certain Organophosphonates - Phosphonic Acids, namely (i) HEDP Acid and (ii) ATMP Acid, in all physical forms and concentrations, excluding salts, formulations and derivatives thereof. The goods produced by the domestic industry are like articles to the imported subject goods.

b. No PCN methodology has been adopted in the present investigation. For purposes of analysis, imports in other concentrations have been converted into equivalent volumes considering 60% concentration for HEDP Acid and 50% concentration for ATMP Acid.

c. Aquapharm Chemical Limited and Excel Industries Limited jointly account for the entire domestic production of the subject goods in India, constitute the domestic industry within the meaning of Rule 2(b) of the Anti-Dumping Rules, and the application satisfies the requirements of standing prescribed under Rule 5(3) of the Rules.

d. No producer/exporter from China PR has participated in the investigation. The normal value and export price have accordingly been determined on the basis of facts available in accordance with the Rules. The dumping margins determined for HEDP Acid and ATMP Acid are positive and significant.

e. In respect of HEDP Acid, although the volume of subject imports declined over the injury period and price undercutting during the POI was negative, the landed price declined substantially and remained below the cost of sales of the domestic industry during 2023-24 and the POI. The subject imports exerted significant price pressure and caused price suppression and price depression. The domestic industry suffered financial losses, cash losses and negative return on capital employed notwithstanding improvement in its volume parameters.

f. In respect of ATMP Acid, the landed price of subject imports declined substantially over the injury period, significantly undercut the selling price of the domestic industry during the POI, and remained below the cost of sales of the domestic industry during 2023-24 and the POI. The domestic industry suffered deterioration in profitability, losses and negative return on capital employed notwithstanding improvement in its volume parameters.

g. The subject imports have adversely affected the prices realised by the domestic industry and its ability to generate adequate returns and mobilise further capital investment. The examination of the other known factors does not establish that the material injury suffered by the domestic industry has been caused by factors other than the dumped imports. The Authority therefore concludes that the material injury suffered by the domestic industry is caused by the dumped imports from the subject country.

h. The injury margins determined for the subject goods are positive. Having regard to the lesser duty rule, the amount of duty required to remove injury is lower than the dumping margin for both HEDP Acid and ATMP Acid.

i. Imposition of anti-dumping duty is in the larger public interest. No user/consumer has furnished information demonstrating a disproportionate adverse impact of the proposed measure; the information on record indicates that the impact on the cost of downstream users would be limited, and sufficient domestic capacity is available to cater to the present and foreseeable demand in India.

N. RECOMMENDATIONS

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

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

DUTY TABLE

S. No.	ITCHS Heading	Description	Country of Origin	Country of Export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	2918 2910 2922 1990 2931 4990 2931 5900 2931 9019 2931 9090 2942 0090 3809 9200 3824 9900	HEDP Acid	China PR	Any country including China PR	Any producer	200	MT	USD
2	-do-	-do-	Any country other than China PR	China PR	Any producer	200	MT	USD

S. No.	ITCHS Heading	Description	Country of Origin	Country of Export	Producer	Amount	Unit	Currency
3	-do-	ATMP Acid	China PR	Any country including China PR	Any producer	214	MT	USD
4	-do-	-do-	Any country other than China PR	China PR	Any producer	214	MT	USD

O. FURTHER PROCEDURE

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

Digitally signed by
Amitabh Kumar
Date: 25-09-2026
17:44:16

Amitabh Kumar
Designated Authority