NON-CONFIDENTIAL

To be published in Part-I Section I of the Gazette of India Extraordinary

F. No. 6/14/2026-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building,
5, Parliament Street, New Delhi – 110001

Dated: ___ September 2026

PRELIMINARY FINDINGS

Case No. AD (OI)-13/2026
SETU Case ID – AD/OI/014/2026

Subject: Anti-dumping investigation concerning imports of "1-(3,5,5,6,8,8-hexamethyl-6,7-dihydronaphthalen-2-yl) ethenone" originating in or exported from China PR.

Contents

F. No. 6/14/2026-DGTR. — Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the 'Act') and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the 'AD Rules' or the 'Rules'), and following the initiation of the subject investigation by the Designated Authority (hereinafter referred to as the 'Authority') vide Initiation Notification No. 6/14/2026-DGTR dated 19th March, 2026, the Authority provisionally records the present preliminary findings.

A. BACKGROUND OF THE CASE

1. Whereas, M/s Keva Fragrances Private Limited (hereinafter referred to as the 'applicant' or the 'domestic industry') filed an application before the Authority in accordance with the Act and the AD Rules, for initiation of an anti-dumping investigation concerning imports of "1-(3,5,5,6,8,8-hexamethyl-6,7-dihydronaphthalen-2-yl) ethenone" (hereinafter referred to as the 'subject goods' or the 'product under consideration' or the 'PUC'), originating in or exported from China PR (hereinafter referred to as the 'subject country'), and for imposition of anti-dumping duty on such imports.

2. And whereas, the applicant alleged that material injury is being caused to the domestic industry on account of the dumped imports of the product under consideration from the subject country, and requested for imposition of anti-dumping duty on the imports of the subject goods.

3. And whereas, in view of the duly substantiated application filed by the applicant, and on the basis of the prima facie evidence submitted by it substantiating dumping of the product under consideration from the subject country, injury to the domestic industry and a causal link between such dumping and injury, the Authority issued a public notice vide Initiation Notification No. 6/14/2026-DGTR dated 19th March, 2026, published in the Gazette of India Extraordinary, initiating the present anti-dumping investigation in accordance with Section 9A of the Act read with Rule 5 of the AD Rules, to determine the existence, degree and effect of the alleged dumping and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the injury to the domestic industry.

B. PROCEDURE

4. The procedure, as described herein below, has been followed with regard to the present investigation:

B.1. Initiation

i. In accordance with Rule 5(5) of the Rules, prior to initiation of the investigation, the Authority notified the Government of the subject country, through its embassy in India, about the receipt of the present anti-dumping application.
ii. Upon examination of the application, the Authority found prima facie evidence of dumping of the product under consideration originating in or exported from the subject country, consequent injury to the domestic industry and a causal link between such dumping and injury. Therefore, in accordance with Rule 5 of the Rules, the Authority, vide Initiation Notification No. 6/14/2026-DGTR dated 19th March, 2026 (‘Initiation Notification’), published in the Gazette of India Extraordinary, initiated the present anti-dumping investigation concerning imports of the subject goods from the subject country.
iii. In accordance with Rule 6(2) of the Rules, the Authority informed the interested parties of the initiation of the investigation by sharing a copy of the Initiation Notification with the embassy of the subject country in India, the known producers and exporters of the product under consideration in the subject country, the known importers of the subject goods in India and other interested parties, as per the information made available in the application.

B.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 Rules. A copy of the non-confidential version of the application was also provided to other interested parties, wherever requested.

B.3. Participation by exporters from the subject country and importers/users from India

i. In accordance with Rule 6(4) of the Rules, the Authority issued the Exporter's Questionnaire to the following producers and exporters to seek information regarding the normal value and net export price for the purpose of the investigation:

SN	Names of producers/exporters in the subject country
1	Fujian Nanping Greenpine Chemical Company
2	Jiaxing Sunlong Industrial and Trading Co. Ltd.
3	Shandong Luckysky Chemical Co. Ltd.
4	Shanghai Luckysea Chemical Co. Ltd.
5	Tianmen Deyuan Chemical Tech Co. Ltd.
6	Qingdao Bo-Sin International Co. Ltd.

ii. None of the producers/exporters have participated in the present investigation by filing a response to the Exporter's Questionnaire. Further, no submissions have been filed by, or on behalf of, any producer/exporter from the subject country.

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

SN	Names of importers/users
1	Arihant Trading Company
2	Arpan Aromatics
3	Ashapura Aromas Pvt. Ltd.
4	Fragrance World
5	International Flavours and Fragrances India Pvt. Ltd.
6	Karnataka Aromas
7	K. Rasiklal Exim Pvt. Ltd.
8	Mane India Pvt. Ltd.
9	Mysore Deep Perfumery House
10	Oriental Aromatics Ltd.
11	P. P. Sheth Aromas Pvt. Ltd.
12	Rawji Fine Fragrances Pvt. Ltd.
13	Symrise Pvt. Ltd.

14	United Multichem LLP

iv. None of the importers/users have participated in the present investigation by filing a response to the questionnaire issued or by filing submissions.

v. The Authority issued an Economic Interest Questionnaire (EIQ) to assess public interest and the impact of the duties on the wider economy. A copy of the EIQ was issued to the Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, and to the known importers/users of the subject goods. No response has been received in this regard, other than from the domestic industry.

B.4. Period of Investigation and Injury Investigation Period

i. As noted in the Initiation Notification, the period of investigation (‘POI’) was considered as 1st October 2024 – 30th September 2025 (a period of 12 months). The injury investigation period was set to cover the periods 1st April 2022 – 31st March 2023, 1st April 2023 – 31st March 2024, 1st April 2024 – 31st March 2025 and the period of investigation.

ii. A request was made to the DGCI&S to procure the transaction-wise import data of the subject goods for the injury period and the period of investigation. The data was received and the same has been relied upon for the necessary analysis.

B.5. Further Procedure

i. The Authority sought comments on the scope of the product under consideration and on the PCN methodology within 15 days of the Initiation Notification and of the intimation letter dated 23rd March, 2026. Only the domestic industry filed comments in this regard and no comments were received from any producer/exporter, importer/user or other interested party on the scope of the product under consideration or on the PCN methodology.

ii. With a view to verify the standing of the applicant and its claim of being the sole producer of the like article in India, the Authority addressed communications to other possible producers of the subject goods in India, seeking information regarding their production, capacity, domestic sales and imports, if any, of the subject goods. No response was received from any such producer confirming manufacture of the subject goods.

iii. A list of all interested parties that registered themselves within the prescribed timeline was uploaded on the DGTR website / SETU portal. None of the importers/exporters/and users registered with the SETU platform.

iv. In accordance with Rule 7 of the Rules, information provided by the interested parties on a confidential basis was examined by the Authority with regard to the sufficiency of the confidentiality claim. On being satisfied, the Authority has provisionally accepted the confidentiality claims, wherever warranted, and such information has been treated as confidential and not disclosed to the other interested parties.

v. Non-confidential version of the submissions filed by the domestic industry were made available to all interested parties.

vi. 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. The Authority provisionally calculated the non-injurious price (NIP) for the product under consideration so as to ascertain whether duties lower than the dumping margin would be sufficient to remove the injury to the domestic industry.

vii. The Authority provisionally examined the issues raised, information provided and submissions made by the interested parties during the course of the proceedings, to the extent they were supported by evidence and considered relevant to the present investigation.

viii. '***' represents information furnished by a party on a confidential basis and so considered by the Authority under the Rules.

ix. The exchange rate adopted by the Authority for the period of investigation is 1 US$ = ₹ 86.76, 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 this preliminary finding.
(Source: https://foservices.icegate.gov.in/#/services/viewExchangeRate)

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Views of other interested parties

5. No submissions have been made by any other interested party concerning the scope of the product under consideration.

C.2 Views of the domestic industry

6. The following submissions have been made by the domestic industry concerning the scope of the PUC:

a. The product under consideration is "1-(3,5,5,6,8,8-hexamethyl-6,7-dihydronaphthalen-2-yl) ethenone", having CAS numbers 21145-77-7 and 1506-02-1, and sold under various brand names including, but not limited to, Tonalide, Tonalid, Muscofix, Ganolid, Fixolide, AHTN, Musk AHMT, Ultramusk, Lanolid, Musk Tetralin, Dernalide, Methyl Nonyl Acetophenone, Kevolid, Tentarome and Tetralide.

b. The chemical formula of the product is $C_{18}H_{26}O$ and its molecular weight is 258.40 g/mol. It is a synthetic polycyclic musk compound, chemically classified as a tetralin ketone.

c. The product is used as a base note fixative and volume enhancer in fragrances. It is widely used in masculine fragrances (especially fougère), powdery-musked base blends, in layering with other polycyclic musks (PCMs) or nitromusks, and in functional perfumery such as fabric softeners, deodorants and soaps.

d. The product is produced and sold on the basis of weight and is expressed in terms of Kilograms (KGs) / Metric Tonnes (MT).

e. Since the product may be described by various brand names, a description limited to a brand name may result in possible evasion of duty by rebranding. Accordingly, the domestic industry, vide its letter dated 17th March, 2026, requested that the PUC be described by its chemical name, CAS numbers, formula and molecular weight along with the illustrative brand names, so that the scope of the PUC is clear and the intended remedy is effective. The applicant clarified that the said clarification of description does not affect any of the data/information furnished in the application.

f. The subject goods are classified under Chapter 29 – 'Organic Chemicals' of the First Schedule to the Customs Tariff Act, 1975, under tariff item 2914 3990. The customs classification is only indicative and not binding on the scope of the PUC. The Basic Customs Duty applicable on the subject goods is 7.5%.

g. No PCN methodology is required to be adopted in the present case as the product is not produced or traded in different grades, forms or specifications having significantly different costs and price.

C.3 Examination by the Authority

7. The product under consideration in the present investigation is "1-(3,5,5,6,8,8-hexamethyl-6,7-dihydronaphthalen-2-yl) ethenone", having CAS numbers 21145-77-7 and 1506-02-1, and commonly sold under various brand names such as Tonalide, Tonalid, Muscofix, Ganolid, Fixolide, AHTN, Musk AHMT, Ultramusk, Lanolid, Musk Tetralin, Dernalide, Methyl Nonyl Acetophenone, Kevolid, Tentarome and Tetralide. It is a synthetic polycyclic musk compound (a tetralin ketone) having the chemical formula $C_{18}H_{26}O$ and a molecular weight of 258.40 g/mol, used as a base note fixative and volume enhancer in fragrances and functional perfumery.

8. The PUC is classified under Chapter 29 of Schedule I of the Customs Tariff Act titled 'Organic Chemicals' under tariff item 2914 3990. The customs classification is only indicative and is not binding on the scope of the product under consideration.

9. It is noted that no PCN methodology was proposed by the domestic industry in its application. Vide the Initiation Notification dated 19th March, 2026, and the intimation letter dated 23rd March, 2026, the Authority called for comments on the scope of the PUC and on the PCN methodology. Only the domestic industry filed comments, reiterating that since the product is not produced or sold in different grades/forms having significantly different costs and prices and no PCN methodology is warranted. No other interested party filed any comments proposing a PCN methodology or contesting the scope of the PUC. In view thereof, the Authority provisionally holds that no PCN methodology is required to be adopted at this stage of the present investigation.

10. In view of the above, the Authority provisionally holds that the product under consideration for the present investigation is the same as was defined in the Initiation Notification dated 19th March, 2026 and is as under:

> *"The product under consideration is 1-(3,5,5,6,8,8-hexamethyl-6,7-dihydronaphthalen-2-yl) ethenone, having CAS numbers of 21145-77-7 and 1506-02-1, and sold under various brand names including, but not limited to, Tonalide, Tonalid, Muscofix, Ganolid, Fixolide, AHTN, Musk AHMT, Ultramusk, Lanolid, Musk Tetralin, Dernalide, Methyl Nonyl Acetophenone, Kevolid, Tentarome, Tetralide. The chemical formula for the product is $C_{18}H_{26}O$. The molecular weight of the product is 258.40 g/mol. The product under consideration is a synthetic polycyclic musk compound, chemically classified as a tetralin ketone."*

11. There are no known differences in the subject goods produced by the domestic industry and those imported from the subject country. The subject goods produced by the domestic industry and those imported from the subject country are comparable in terms of technical specifications, physical and chemical characteristics, manufacturing process and technology, functions and uses, pricing, and distribution and marketing. The two are technically and commercially substitutable and are used interchangeably. The consumers have used and are using the two interchangeably. The Authority, therefore, provisionally holds that the subject goods produced by the domestic industry are 'like article' to the imported subject goods within the meaning of Rule 2(d) of the AD Rules.

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1 Views of other interested parties

12. No submissions have been made by any other interested party concerning the scope and standing of the domestic industry.

D.2 Views of the domestic industry

13. The following submissions have been made by the domestic industry concerning its scope and standing:
    a. M/s Keva Fragrances Private Limited is the sole producer of the subject goods in India and accounts for 100% of the total Indian production of the like article.
    b. The applicant is not related to any exporter of the subject goods from the subject country or to any importer of the subject goods in India during the POI.
    c. The parent company of the applicant, M/s S.H. Kelkar and Company Limited, had acquired a producer of the subject goods in the subject country, namely M/s Anhui Ruibang Aroma Co. Limited, in 2018. However, the said company ceased manufacturing and selling operations in 2022, and since then the subject goods have not been manufactured at its plant. Accordingly, during the POI, the applicant was not related to any exporter of the subject goods from the subject country.
    d. The applicant did not import the subject goods from the subject country during the POI. Prior to the POI, it imported small quantities of the subject goods from non-subject countries, which were either re-imports of self-produced material or imports from related parties for clearance of inventories upon cessation of operations at the related plant. The applicant also purchased a small quantity of the subject goods from unrelated traders in India, out of which a small quantity was re-sold to its parent company during the POI.

D.3 Examination by the Authority

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

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

15. The Authority provisionally notes that the application has been filed by M/s Keva Fragrances Private Limited, which has claimed to be the sole producer of the subject goods in India, accounting for 100% of the total domestic production of the like article.

16. The applicant has submitted that it was not related to an exporter of subject goods from the subject country, or an importer of subject goods during the period of investigation. It is noted that the parent company of the applicant, S.H. Kelkar and Company Limited acquired a producer of the subject goods in the subject country, namely Anhui Ruibang Aroma Co. Limited. However, the company has ceased manufacturing and selling operations soon thereafter, and prior to the POI. Since then, the subject goods have not been manufactured at the plant of the related party. Thus, during the period of investigation, the applicant was not related to an exporter of subject goods from the subject country.

17. The applicant has claimed that it has not imported the subject goods from the subject country during the period of investigation. The applicant has submitted that it imported the subject goods prior to the period of investigation from its related party in the subject country as well as non-subject country for the limited purpose of stock clearance as the plant was shut down. Further, the applicant also re-imported certain rejected material from a non-subject country prior to the period of investigation.

18. Additionally, the applicant has also clarified that it purchased *** MT of the subject goods from unrelated traders in India during the period of investigation. The goods purchased were required for supply to its parent company which also uses the subject goods for its fragrance production plant. Out of the total material purchased, *** MT was transferred to the parent company prior to the period of investigation, while *** MT was transferred during the period of investigation. The remaining *** MT was re-sold in the domestic market prior to the period of investigation.

19. It is noted that during the period of investigation, the applicant has re-sold *** MT of the purchased product to its parent company. Such re-sale volume is in very small volumes, and was only 0-5% in relation to the total demand in the country, and 0-5% in relation to the total production in the country.

Particulars	POI
Volume of purchase (MT)	***
Demand in India	***
Production in India	***
Subject imports	233
Imports in relation to demand	0-5%
Imports in relation to production	0-5%

20. In view of the above, the Authority provisionally holds that the production of the applicant accounts for 100% of the total Indian production and constitutes a major proportion of the total domestic production of the like article. Accordingly, the applicant constitutes ‘domestic

industry' within the meaning of Rule 2(b) of the AD Rules, and the application satisfies the requirement of standing in terms of Rule 5(3) of the AD Rules.

E. CONFIDENTIALITY

E.1 Views of the other interested parties

21. No submissions have been made by any other interested party concerning confidentiality.

E.2 Views of the domestic industry

22. The domestic industry has submitted that it has provided a meaningful non-confidential version of its application and other submissions, with confidential information duly indexed or summarised in terms of Rule 7 of the AD Rules and the applicable trade notices of the Authority, and that the information claimed confidential is business-sensitive in nature, not available in the public domain, and its disclosure would cause serious prejudice to the interests of the applicant.

E.3 Examination by the Authority

23. With regard to confidentiality of information, Rule 7 of the AD Rules provides as under:

> *"(1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, sub-rule (4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.*
> *(2) The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.*
> *(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorize its disclosure in a generalized or summary form, it may disregard such information."*

24. The information provided by the domestic industry on a confidential basis was examined with regard to the sufficiency of the confidentiality claim. The Authority is provisionally satisfied that the confidentiality claims are, prima facie, in respect of business-sensitive information the disclosure of which is likely to cause serious prejudice to the party providing it, or is confidential by nature. On being so satisfied, the Authority has provisionally accepted the confidentiality claims, wherever warranted, and such information has been kept confidential and not disclosed to the other interested parties.

F. NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

F.1 Views of the other interested parties

25. No submissions have been made by any other interested party, and no producer/exporter from the subject country has responded or claimed market economy treatment, concerning the determination of normal value, export price and dumping margin.

F.2 Views of the domestic industry

26. The following submissions have been made by the domestic industry concerning normal value, export price and dumping margin:
    a. The subject country should be treated as a non-market economy and the producers/exporters from the subject country should be called upon to demonstrate that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of the product under consideration.
    b. Unless the producers of the subject country so demonstrate, their normal value should be determined in accordance with Para 7 of Annexure-I to the AD Rules.
    c. 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.
    d. Under Para 7 of Annexure-I, the normal value for a non-market economy shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such third country to other countries including India, or, where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted to include a reasonable profit margin.
    e. The domestic industry attempted to obtain the prevailing prices of the subject goods in an appropriate market economy third country, as well as the price of exports of the subject goods from such third country to other countries. However, in the absence of a dedicated tariff line for the subject goods, it was not able to find any credible source of such information. Accordingly, the normal value for China PR may be determined

on the basis of the price payable in India, i.e., the cost of production in India duly adjusted for selling, general and administrative expenses, together with a reasonable profit.

f. The export price should be determined on the basis of the CIF price of the subject goods as reported in the DGCI&S transaction-wise data, duly adjusted for ocean freight, marine insurance, commission, bank charges, port expenses and credit cost to arrive at the ex-factory export price.

F.3 Examination by the Authority

27. Under Section 9A(1)(c) of the Act, the 'normal value' in relation to an article means the comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory; or, 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 sales such sales do not permit a proper comparison, either the comparable representative price of the like article when exported from the exporting country or territory to an appropriate third country, or the cost of production of the said article in the country of origin along with a reasonable addition for administrative, selling and general costs, and for profits.

28. The Authority provisionally notes that none of the producers/exporters of the subject goods from the subject country have filed an Exporter's Questionnaire response or otherwise cooperated in the present investigation. Accordingly, the normal value and export price for the producers/exporters from the subject country have been determined on the basis of the facts available, in terms of Rule 6(8) of the AD Rules.

F.3.1 Determination of Normal Value

29. For the purpose of this investigation, the subject country has been treated as a non-market economy country. In terms of Article 15 of China's Accession Protocol to the WTO and the provisions of Paragraphs 7 and 8 of Annexure-I to the AD Rules, the producers/exporters from the subject country were required to demonstrate, in response to the market economy treatment questionnaire, that market economy conditions prevail in the industry producing the like product. Since none of the producers/exporters from the subject country have responded or claimed market economy treatment, the normal value is required to be determined in accordance with Paragraph 7 of Annexure-I to the AD Rules, which reads as under:

> *"7. In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India,*

or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner…"

30. The Authority notes that none of the interested parties have provided any information with regard to the domestic price, constructed value or export price of the product in an appropriate market economy third country. Since neither the domestic industry nor any other interested party has provided any verifiable information in this regard, the normal value could not be determined on that basis.

31. Accordingly, the Authority has provisionally determined the normal value for the subject country on the basis of the price payable in India for the like article, in terms of Paragraph 7 of Annexure-I to the AD Rules. The normal value has been constructed on the basis of the cost of production of the subject goods in India, duly adjusted for selling, general and administrative expenses, together with a reasonable profit. The normal value so determined is shown in the dumping margin table below.

F.3.2 Determination of Export Price

32. Since none of the producers/exporters from the subject country have filed a questionnaire response, the export price has been determined on the basis of the facts available, in terms of Rule 6(8) of the AD Rules. The export price has been determined by considering the CIF price of the subject goods imported from the subject country, as reported in the DGCI&S transaction-wise import data. Adjustments have been made on account of ocean freight, marine insurance, commission, bank charges, port expenses and credit cost, so as to arrive at the ex-factory (net) export price. The net export price so determined is shown in the dumping margin table below.

F.3.3 Dumping Margin

33. On the basis of the normal value and the export price determined as above, at the ex-factory level and pertaining to the same period, the dumping margin for the subject goods from the subject country has been provisionally determined as under. It is seen that the dumping margin is not only positive, but also significant and above the de minimis level.

Particular	**Normal* Value**	**Export Price**	**Dumping Margin**	**Dumping Margin**	**Dumping Margin**
	(USD/MT)	**(USD/MT)**	**(USD/MT)**	**%**	**Range**

Any producer from the subject country	***	***	***	***	30-40

G. ASSESSMENT OF INJURY AND CAUSAL LINK

G.1 Views of the other interested parties

34. No submissions have been made by any other interested party with regard to injury and causal link.

G.2 Views of the domestic industry

35. The following submissions, in brief, have been made by the domestic industry with regard to injury and causal link:
    a. The volume of subject imports increased significantly over the injury period, both in absolute terms and in relation to production and consumption in India.
    b. Despite there being no demand-supply gap and despite the fact that the domestic industry had sufficient capacity to cater to the entire Indian demand, the volume of imports increased over the period.
    c. While the demand increased by 231% over the injury period, the subject imports increased by 426%, i.e., at a rate much higher than the increase in demand.
    d. The subject imports were undercutting the prices of the domestic industry and had a suppressing/depressing effect on the prices of the domestic industry, forcing it to sell below its cost of production.
    e. The market share of the domestic industry declined over the injury period while that of the subject imports increased, despite the domestic industry having significant idle capacity.
    f. The domestic industry suffered significant financial losses and cash losses throughout the injury period, which intensified in the POI.
    g. Considering the current prices, the domestic industry is not even in a position to break even and would have to sell more than its current capacity to break even.
    h. The domestic industry earned negative returns on capital employed.
    i. The subject imports have impacted the ability of the domestic industry to raise capital investments.
    j. The domestic industry held significant inventories due to the presence of the dumped imports in the market.
    k. Domestic industry continued to utilize half of its capacities, despite securing consistent supply of raw material and sufficient capacity to cater to the demand.

l. Injury to the domestic industry has been caused by the dumped imports from the subject country.

m. No other factor has caused injury to the domestic industry, and such injury is attributable only to the subject imports.

G.3 Examination by the Authority

36. Rule 11 of the AD Rules read with Annexure-II thereto provides that the injury determination shall involve an examination of the 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 examined 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, the Authority has considered all the relevant economic factors and indices having a bearing on the state of the industry, in accordance with Annexure-II to the AD Rules.

37. 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 Volume effect of the dumped imports

a. <u>Assessment of demand / apparent consumption</u>

38. For the purpose of the present investigation, the demand or apparent consumption of the subject goods in India has been assessed as the sum of the domestic sales of the domestic industry and the imports from all sources. The demand so assessed is given in the table below.

Assessment of Demand

Particulars	Unit	2022-23	2023-24	2024-25	POI
Excluding captive consumption					
Domestic industry	MT-trend	100	108	199	237
Imports from subject country	MT	55	131	320	233
Other imports	MT	-	9	-	-
Total demand (excl. captive)	MT-trend	100	147	300	287

Including captive consumption					
Domestic industry	MT-trend	100	108	199	237
Captive consumption	MT-trend	100	20	6	81
Imports from subject country	MT	55	131	320	233
Other imports	MT	-	9	-	-
Total demand (incl. captive)	MT-trend	100	112	220	231

39. It is seen that the demand for the subject goods (including captive consumption) increased consistently over the injury period and was the highest during the POI, having increased from *** MT in the base year to *** MT in the POI. Demand excluding captive consumption also increased significantly over the injury period.

b. <u>Import volumes in absolute and relative terms</u>

40. With regard to the volume of the 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 upon the DGCI&S import data. The volumes of the subject imports over the injury period are given below.

Imports in Absolute and Relative Terms

Particulars	**Unit**	**2022-23**	**2023-24**	**2024-25**	**POI**
Subject imports	MT	55	131	320	233
Other imports	MT	-	9	-	-
Total imports	MT	55	140	320	233
Imports in relation to —					
Indian production	%	***	***	***	***
Trend		*100*	*272*	*340*	*203*
Indian consumption (Excl. Captive)	%	***	***	***	***
Trend		*100*	*163*	*195*	*149*
Total imports	%	100	94	100	100
Trend		*100*	*94*	*100*	*100*

Growth of Imports vis-à-vis Demand

Particulars	**Unit**	**2022-23**	**2023-24**	**2024-25**	**POI**
Subject imports	MT	55	131	320	233
Trend	*Indexed*	*100*	*239*	*584*	*426*

Demand	MT	***	***	***	***
Trend	*Indexed*	*100*	*112*	*220*	*231*

41. From the above, the Authority provisionally notes that the subject imports increased significantly over the injury period, from 55 MT in the base year to 320 MT in 2024-25, before moderating to 233 MT in the POI. The subject imports account for almost the entirety of the imports of the subject goods into India. The subject imports also increased significantly in relation to production and consumption in India. Notably, over the injury period, while the demand increased to 231 index points, the subject imports increased to 426 index points, i.e., at a rate much higher than the increase in demand, despite the absence of any demand-supply gap in the country.

G.3.2 Price effect of the dumped imports

42. In terms of Annexure-II(ii) of the AD 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 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.

a. Price undercutting

43. In order to determine whether the subject imports are undercutting the prices of the domestic industry, the landed price of the subject imports has been compared with the net selling price of the domestic industry during the POI. The price undercutting so determined is provided below.

Price Undercutting

Particulars	Unit	Value
Import volume	MT	233
Landed price	₹/MT	10,44,174
Net selling price of DI	₹/MT	***
Price undercutting	₹/MT	***
Price undercutting	%	***
Price undercutting range	%	0-10

44. It is noted that, during the POI, the landed price of the subject imports was below the net selling price of the domestic industry and the subject imports were undercutting the prices of the domestic industry. The domestic industry has submitted that it was compelled to reduce its prices significantly in the POI in an effort to retain its market share; despite such reduction, the price undercutting remained positive.

b. <u>Price suppression / depression</u>

45. For the purpose of examining price suppression and depression, the Authority has compared the cost of sales and the net sales realisation of the domestic industry with the landed value of the subject imports over the injury period, as under. The applicant has submitted during 2022-23, the price of major raw materials was significantly distorted owing to disruption in supply-chain and fluctuation in crude prices. Also, due to limited supply of raw material, the plant of the applicant was underutilized, resulting in very high fixed costs. In view of such unforeseen circumstances and to segregate the impact of such circumstances, the applicant has adjusted the cost for 2022-23 by normating the conversion cost considering the highest utilization over the injury period. The same has been considered for the present purpose.

Price Suppression / Depression

Particulars	Unit	2022-23	2023-24	2024-25	POI
Cost of sales	₹/MT	***	***	***	***
Trend	*Indexed*	*100*	*99*	*90*	*95*
Net sales realisation	₹/MT	***	***	***	***
Trend	*Indexed*	*100*	*106*	*102*	*95*
Landed price of imports	₹/MT	11,13,494	11,35,179	10,58,702	10,44,174
Trend	*Indexed*	*100*	*102*	*95*	*94*

46. From the above, the Authority provisionally notes that the landed price of the subject imports declined over the injury period and remained below the cost of sales of the domestic industry throughout the injury period. Faced with low-priced imports, the domestic industry was constrained to reduce/maintain its net sales realisation even as it was already selling below its cost of sales and could not raise its prices to recover its costs. In 2023-24, the cost of the domestic industry declined marginally. However, as the landed price also increased marginally, the domestic industry increased its price. In 2024-25, the cost of the domestic industry declined further. The selling price of the domestic industry also declined in line with the decline landed price. In the POI, even as the cost of sales increased, the domestic industry reduced its net sales realisation significantly in the face of declining import prices and increasing imports. The subject imports have thus had a depressing effect on the prices of the domestic industry in the market.

G.3.3 Economic parameters of the domestic industry

47. Annexure-II to the AD Rules requires that the examination of the impact of the dumped imports on the domestic industry include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry. The various injury parameters relating to the domestic industry are examined below.

a. Production, capacity, capacity utilisation and sales

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

Production, Capacity, Capacity Utilisation and Sales

Particulars	Unit	2022-23	2023-24	2024-25	POI
Installed capacity	MT	***	***	***	***
Trend	*Indexed*	*100*	*100*	*100*	*100*
Production (PUC)	MT	***	***	***	***
Trend	*Indexed*	*100*	*88*	*172*	*209*
Capacity utilisation	%	***	***	***	***
Trend	*Indexed*	*100*	*88*	*172*	*209*
Domestic sales	MT	***	***	***	***
Trend	*Indexed*	*100*	*108*	*199*	*237*
Export sales	MT	***	***	***	***
Trend	*Indexed*	*100*	*68*	*137*	*125*

49. The Authority provisionally notes that the installed capacity of the domestic industry remained stable over the injury period. While the production, capacity utilisation and domestic sales of the domestic industry increased over the injury period, in line with the increase in demand, a significant portion of the capacity of the domestic industry (about 47% in the POI) remained unutilised despite there being sufficient demand and no demand-supply gap in the country.

b. Market share

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

Market Share (in demand excluding captive)

Particulars	Unit	2022-23	2023-24	2024-25	POI
Domestic industry	%	***	***	***	***
Trend	*Indexed*	*100*	*74*	*66*	*83*
Subject imports	%	***	***	***	***
Trend	*Indexed*	*100*	*74*	*66*	*83*
Other imports	%	-	3	-	-
Trend	*Indexed*		100		

51. The Authority provisionally notes that the market share of the domestic industry declined from 74% in the base year to 49% in 2024-25, whereas the market share of the subject imports increased from 26% to 51% over the same period. Although the domestic industry was able to partially recover its market share in the POI, it could do so only by reducing its prices significantly and selling below its cost of sales, thereby suffering increased losses. When seen over the injury period, the market share of the subject imports increased while that of the domestic industry declined, despite the domestic industry having significant idle capacity and no other constraints in producing and selling the product.

c. Inventories

52. The inventories with the domestic industry over the injury period are given in the table below.

Inventories

Particulars	Unit	2022-23	2023-24	2024-25	POI
Opening inventory	MT	***	***	***	***
Closing inventory	MT	***	***	***	***
Average inventory	MT	***	***	***	***
Trend	*Indexed*	*100*	*21*	*111*	*200*

53. The Authority provisionally notes that the average inventories of the domestic industry increased significantly over the injury period, as the subject imports took away the market of the domestic industry.

d. Profitability, cash profits and return on capital employed

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

Profitability Parameters

Particulars	Unit	2022-23	2023-24	2024-25	POI
Cost of sales	₹/MT	***	***	***	***
Trend	*Indexed*	*100*	*99*	*90*	*95*
Net sales realization	₹/MT	***	***	***	***
Trend	*Indexed*	*100*	*106*	*102*	*95*
Profit / (loss)	₹/MT	***	***	***	***
Trend	*Indexed*	*(100)*	*(77)*	*(50)*	*(94)*
Profit / (loss)	₹ Lacs	***	***	***	***
Trend	*Indexed*	*(100)*	*(83)*	*(99)*	*(222)*
Cash profit / (loss)	₹ Lacs	***	***	***	***
Trend	*Indexed*	*(100)*	*(56)*	*(67)*	*(206)*

Return on capital employed	%	***	***	***	***
Trend	*Indexed*	*(100)*	*(75)*	*(81)*	*(155)*

55. The Authority provisionally notes that the domestic industry suffered financial losses throughout the injury period, which intensified in the POI. The domestic industry was selling below its cost of sales throughout the injury period in order to compete with the low-priced dumped imports. Despite the increase in production and sales volumes, the losses of the domestic industry increased over the injury period. The cash losses of the domestic industry also increased significantly; and the domestic industry earned negative returns on capital employed throughout the injury period, the extent of which deteriorated in the POI.

e. Employment, wages and productivity

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

Employment, Wages and Productivity

Particulars	Unit	2022-23	2023-24	2024-25	POI
Number of employees	Nos.	***	***	***	***
Trend		*100*	*91*	*113*	*120*
Salaries and wages	₹ Lacs	***	***	***	***
Trend		*100*	*87*	*137*	*159*
Productivity per day	MT	***	***	***	***
Trend		*100*	*88*	*172*	*209*
Productivity per employee	MT	***	***	***	***
Trend		*100*	*96*	*152*	*175*

57. The Authority provisionally notes that the number of employees and the wages paid by the domestic industry increased over the injury period, and the productivity also increased with the increase in production. The domestic industry has not claimed injury on this account.

f. Growth

58. The Authority provisionally notes that although the volume parameters (production and domestic sales) of the domestic industry increased over the injury period, the price and profitability parameters of the domestic industry witnessed a significant decline. The domestic industry was selling below its cost of sales in order to compete with the low landed price of the subject imports, resulting in significant losses, cash losses and negative returns on capital employed. Thus, the growth of the domestic industry in terms of its price and profitability parameters was negative.

g. Ability to raise capital investment

59. The domestic industry has suffered losses, cash losses and negative returns on capital employed throughout the injury period. The domestic industry has submitted that it is not in a position to service its debt obligations and that no new investment is viable at the prevailing prices. The Authority provisionally notes that the subject imports have adversely impacted the ability of the domestic industry to raise capital investment for the subject goods.

h. Magnitude of dumping

60. The Authority provisionally notes that there is significant dumping of the subject goods from the subject country, the dumping margin being positive and above the de minimis level, as determined in Section G above.

G.3.4 Conclusion

61. Based on the above, the following is provisionally noted –
    a. The demand for the subject goods has increased over the period.
    b. While the volume of imports has declined in the period of investigation, the volume of subject imports has increased in absolute terms and in relation of Indian production and consumption when seen over the injury period.
    c. The imports have increased despite absence of demand-supply gap, and at rate higher than increase in demand.
    d. While the market share of the domestic industry has declined over the injury period, the market share of the subject imports has increased.
    e. The subject imports were undercutting the prices of the domestic industry
    f. The subject imports have depressed the prices of the domestic industry.
    g. Despite increasing its production and supply, the domestic industry has faced underutilized capacities.
    h. The inventories of the domestic industry have piled up due to loss of market share.
    i. The domestic industry has faced significant losses and cash losses
    j. The domestic industry recorded negative returns on its capital employed.
    k. The imports have adversely impacted the ability of the domestic industry to raise capital investments. The dumping margin for the subject country is positive and significant.

62. In view of the foregoing, the Authority provisionally concludes that the domestic industry has suffered material injury.

G.3.5 Non-attribution analysis

63. The Authority has provisionally examined whether known factors other than the dumped imports could have caused injury to the domestic industry, so that any injury caused by such other factors is not attributed to the dumped imports.

a. Volume and value of imports from third countries — The subject imports constitute almost the entirety of the imports of the subject goods into India. Imports from third countries are negligible and could not have caused injury to the domestic industry.
b. Contraction in demand — The demand for the subject goods increased over the injury period and was the highest in the POI. Therefore, injury to the domestic industry cannot be attributed to any contraction in demand.
c. Changes in the pattern of consumption — There has been no material change in the pattern of consumption of the subject goods that could have caused injury to the domestic industry.
d. Conditions of competition and trade restrictive practices — There is no evidence of any conditions of competition or trade restrictive practices that could have caused injury to the domestic industry.
e. Developments in technology — There has been no change in the technology of production of the subject goods that could have caused injury to the domestic industry.
f. Export performance of the domestic industry — The injury information examined above relates only to the domestic operations of the domestic industry, which have been segregated from its export operations. Therefore, the injury suffered cannot be attributed to the export performance of the domestic industry.
g. Productivity — The productivity of the domestic industry increased over the injury period and, therefore, could not have caused injury to the domestic industry.

G.3.6 Factors establishing causal link

64. While the other known factors listed under the AD Rules have not caused injury to the domestic industry, the Authority provisionally notes that the following parameters provisionally establish that the injury to the domestic industry has been caused by the dumped imports:

a. There is significant dumping of the subject goods from the subject country.
b. The volume of the subject imports increased significantly over the injury period, in both absolute and relative terms, despite significant idle capacity in the domestic industry and no demand-supply gap in the country.
c. As a result, the market share of the domestic industry declined while that of the subject imports increased over the injury period.
d. The subject imports significantly undercut the prices of the domestic industry and had a suppressing and depressing effect on such prices, forcing the domestic industry to sell below its cost of sales.
e. As a result, the domestic industry suffered significant financial losses and cash losses, and earned negative returns on capital employed.
f. Even as its production and sales increased, the capacities of the domestic industry were underutilized and its inventories accumulated significantly.

65. The Authority, in view of the aforementioned, provisionally concludes that there exists a causal link between the dumping of the subject goods from the subject country and the material injury suffered by the domestic industry.

G.3.7 Magnitude of Injury Margin

66. The Authority has determined the non-injurious price (NIP) for the domestic industry on the basis of the principles laid down in the AD Rules read with Annexure-III thereto, as amended. The NIP of the product under consideration has been determined by adopting the information/data relating to the cost of production furnished by the domestic industry. For determining the NIP, the best utilisation of raw materials and utilities over the injury period has been considered, and the best capacity utilisation over the injury period has been adopted; extraordinary and non-recurring expenses have been excluded from the cost of production; and a reasonable return (pre-tax at 22%) on the average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration has been allowed as pre-tax profit, so as to arrive at the NIP as prescribed under Annexure-III to the AD Rules.

67. Based on the landed price and the NIP determined as above, the injury margin for the subject goods from the subject country, as provisionally determined by the Authority, is provided in the table below. It is seen that the injury margin is positive and significant.

Particular	NIP*	Landed price	Injury Margin	Injury Margin	Injury Margin
	(USD/MT)	(USD/MT)	(USD/MT)	%	Range
Any producer from subject country	***	***	***	***	30-40

H. INDIAN INDUSTRY’S INTEREST & OTHER ISSUES

H.1 Views of the other interested parties

68. No submissions have been made by any other interested party, and no importer/user has participated in the present investigation, on the aspect of Indian industry’s interest or the economic impact of the anti-dumping duty.

H.2 Views of the domestic industry

69. The domestic industry has submitted the following –

a. Applicant is the sole producer of product under consideration in the country and is the flag bearer of Aatmanirbhar Bharat.
b. Imposition of duties is required to protect the viability of the domestic industry
c. Imposition of duties is required to ensure fair competition and contribute into forex reserves
d. Imposition of duties will not result in shortage of supply of subject goods as users can procure from domestic industry and from subject country at fair prices.
e. Non-imposition of duties would make the users dependent on exports who would become vulnerable to exploitation by exporters.
f. Initially, the supply of raw materials was regularly disrupted as the suppliers from the subject country defaulted on contracts, to meet their domestic demand and to artificially inflate prices. As a result, the applicant made attempts to indigenize the production of both raw materials to ensure continuous and uninterrupted supply of products.
g. The applicant has been successful in helping establish the upstream industry for 2,3 Dimethyl-1-Butene and Paracymene in India, which earlier did not exist.
h. Imposition of duties is essential to protect the viability of facilities set up to produce upstream products (2,3 Dimethyl-1-Butene (DMB-1)) and Paracymene (p-cymene) as their production is directly dependent on the performance of the subject goods.
i. The total employment generated by the domestic industry as well as the upstream industry would be in jeopardy if duties are not imposed.
j. The applicant has sufficient capacity to cater to the entire demand in the country, and thus, subject imports are entirely unnecessary in absence of any demand supply gap.
k. The product under consideration is not a major raw material or input for the ultimate end-products.
l. It is used in very small quantities for manufacturing fragrances, which are in turn used in very small quantities in manufacturing various end products.
m. Since the subject goods account for a minuscule share in the total costs of the end-products, any increase in the price due to the imposition of anti-dumping duties would have a negligible impact on the end-product.
n. Imposition of duties would not result in any significant increase in the costs for the downstream users.

H.3 Examination by the Authority

70. The Authority notes that the primary objective of anti-dumping duties is to rectify the injury inflicted upon the domestic industry by the unfair trade practices of dumping, thereby fostering an environment of open and equitable competition in the Indian market. The imposition of anti-dumping measures is not designed to curtail imports from the subject country arbitrarily. Rather, it is a mechanism to ensure a level playing field. The Authority

acknowledges that the persistence of anti-dumping duties may influence the price levels of the product in India. However, it is crucial to note that the essence of fair competition in the Indian market will remain unscathed by the imposition of these measures. Far from diminishing competition, the imposition of anti-dumping measures serves to prevent the accrual of unfair advantages through dumping practices. It safeguards the consumers' access to a broad selection of the subject goods. Thus, anti-dumping duties are not a hindrance but a facilitator of fair-trade practices.

71. The Authority issued the initiation notification, inviting views from all interested parties including importers, users and consumers. An Economic Interest Questionnaire was also prescribed to allow various stakeholders, including the domestic industry, producers/exporters and importers/users/consumers to provide relevant information concerning the present investigation, including the possible effect of anti-dumping duty on their operations. The Authority notes that none of the importers/users have participated in the present investigation or furnished any information on the economic impact of the proposed anti-dumping duty.

72. The domestic industry has claimed that the imposition of duties would not have any significant impact on the ultimate downstream consumers. As per information available on record, it is noted that the product under consideration is used in very small quantities for manufacturing fragrances, which are further used in small quantities for manufacturing end-products such as perfumes, soaps, detergents, incense sticks, fabric softeners etc. The applicant submitted that the subject goods account for 3% of the total cost of fragrances used for perfume or deodorant. In turn, the fragrance accounts for only 4% of the total cost of manufacturing perfumes or deodorant. Similarly, subject goods account for only 7% of the total cost for manufacturing fragrances for soap, which in turn accounts for only 1.2% in the cost of a soap. In view of the negligible share of the subject goods used in the end-product, it is noted that imposition of anti-dumping duties would have minimal impact on the costs of the end-consumers, which would not be more than 50 paise for various end products.

SN	Application	Unit	Formula	Soap	Detergent	Shampoo	Fabric Softener	Deodorant	Perfume
1	Proportion of Fragrance in downstream products	%	A	1.20%	0.20%	0.80%	2%	4%	4%
2	Share of PUC in	%	B	7%	7%	6%	6%	3%	3%

	fragrance of end-products								
3	Market price of end-products	₹/Kg	D	344	2,380	2,170	374	900	11,040
4	Landed price of PUC	₹/Kg	E	1,044	1,044	1,044	1,044	1,044	1,044
5	PUC in downstream products without ADD	₹/Kg	F=E*A*B	0.877	0.146	0.501	1.253	1.253	1.253
6	Proposed duty	₹/Kg	G=E*40%	418	418	418	418	418	418
7	Increase in cost of PUC in end-product	₹/Kg	H=G*A*B	0.35	0.06	0.20	0.50	0.50	0.50
8	**Impact % of duties on end-product**	**%**	**I=H/D**	**0.10%**	**0.002%**	**0.01%**	**0.13%**	**0.06%**	**0.005%**

73. It is noted that there is no demand-supply gap in the country necessitating dumped imports into the country. The Authority notes that the Indian industry has significant capacities as claimed by the domestic industry which are sufficient to meet the entire present and foreseeable demand in the country.

I. PROVISIONAL CONCLUSIONS AND RECOMMENDATION

74. The present preliminary findings are recorded by the Authority in terms of Rule 12 of the AD Rules, which requires the Authority to proceed expeditiously with the conduct of the investigation and, in appropriate cases, to record a preliminary finding regarding the export price, normal value and margin of dumping, together with a further finding regarding injury to the domestic industry, containing sufficient details of the matters of fact and law on which such findings rest, and to issue a public notice recording the same. The recommendation for

the imposition of provisional anti-dumping duty contained herein is made in terms of Rule 13 of the AD Rules read with Section 9A(2) of the Act. Based on the submissions made, the information provided and the facts available before the Authority, and on the basis of the above analysis of dumping and the consequent injury to the domestic industry, the Authority provisionally concludes as under:

a. The application has been filed by Keva Fragrances Private Limited, which is the sole producer of the subject goods in India, accounts for 100% of the total Indian production, and thus constitutes domestic industry in terms of Rule 2(b) of the AD Rules. Further, the application satisfies the requirement of standing in terms of Rule 5(3) of the AD Rules.
b. The product under consideration is “1-(3,5,5,6,8,8-hexamethyl-6,7-dihydronaphthalen-2-yl) ethenone”, and the subject goods produced by the domestic industry are a like article to the imported subject goods.
c. No comments were received from any producer/exporter, importer/user or other interested party on the scope of the PUC, nor was any PCN methodology proposed. Accordingly, no PCN methodology has been adopted at this stage.
d. None of the producers/exporters from the subject country responded to the investigation or claimed market economy treatment. Accordingly, in terms of Article 15 of China’s Accession Protocol and Paragraph 7 of Annexure-I to the AD Rules, the normal value has been determined on the basis of the price payable in India, and the export price has been determined on the basis of the facts available in terms of Rule 6(8) of the AD Rules.
e. Considering the normal value and the export price so determined, the dumping margin for the subject goods from the subject country is positive, significant and above the de minimis level.
f. The subject imports increased significantly over the injury period, in both absolute and relative terms, despite the absence of any demand-supply gap and despite significant idle capacity with the domestic industry.
g. The subject imports undercut the prices of the domestic industry and had a depressing effect on such prices.
h. Despite an increase in production and sales, a significant portion of the capacity of the domestic industry remained idle and its inventories accumulated.
i. The domestic industry suffered significant financial losses, cash losses and negative returns on capital employed. In particular, the domestic industry incurred cash losses in every year of the injury period, which more than doubled from ₹*** in 2022-23 to ₹***in the POI.
j. The imports have adversely impacted the ability of the domestic industry to raise further capital investments.

k. No other known factor has caused injury to the domestic industry; the material injury to the domestic industry has been caused by the dumped imports of the subject goods from the subject country.
l. The imposition of anti-dumping duty is in the interest of the public and would have no adverse impact on the interests of public at large.
m. Imposition of duties would not increase the cost of end-consumers significantly.
n. The subject goods are used to make fragrances in very small quantities, which are in turn used in manufacturing various downstream products, also in small quantities.
o. The subject goods do not constitute a major cost for the end-users.
p. There is no demand supply gap in the country, and the Indian industry has sufficient capacities to cater to the entire demand.

75. The Authority notes that the investigation was duly initiated and all interested parties were notified and given adequate opportunity to furnish 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 AD Rules, , and having recorded the present preliminary findings in terms of Rule 12 thereof, the Authority is of the view that the imposition of provisional anti-dumping duty is required to offset dumping and injury, pending completion of the investigation. Therefore, the Authority considers it necessary and recommends the imposition of provisional anti-dumping duty in terms of Rule 13 of the AD Rules read with Section 9A(2) of the Act on imports on imports of the subject goods from the subject country.

76. Having regard to the lesser duty rule, the Authority recommends imposition of provisional 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 provisional anti-dumping duty on the imports of the subject goods originating in or exported from the subject country, equal to the amount specified in Column (7) of the duty table below, for a period as may be notified by the Central Government. The landed value of imports for this purpose shall be the assessable value as determined by the Customs under the Customs Act, 1962 and the applicable level of customs duties, except duties levied under Sections 3, 3A, 8B, 9 and 9A of the Customs Tariff Act, 1975.

Duty Table

S. No.	Tariff Heading/ Subheading	Description of Goods	Country of Origin	Country of Export	Producer	Duty Amount	Currency	Unit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

1	2914 3990	1-(3,5,5,6,8,8-hexamethyl-6,7-dihydronaphthalen-2-yl) ethenone*	China PR	Any country including China PR	Any	3,967	USD	MT
2	- do -	- do -	Any country other than China PR	China PR	Any	3,967	USD	MT

**The product under consideration is as described in 1-(3,5,5,6,8,8-hexamethyl-6,7-dihydronaphthalen-2-yl) ethenone, having CAS numbers of 21145-77-7 and 1506-02-1, and sold under various brand names including, but not limited to, Tonalide, Tonalid, Muscofix, Ganolid, Fixolide, AHTN, Musk AHMT, Ultramusk, Lanolid, Musk Tetralin, Dernalide, Methyl Nonyl Acetophenone, Kevolid, Tentarome, Tetralide. The chemical formula for the product is* $C_{18}H_{26}O$.

J. FURTHER PROCEDURE

77. The following procedure would be followed subsequent to the notification of these preliminary findings:
    a. The Authority invites comments on these provisional findings from all interested parties within 30 days from the publication of these findings, and the same, to the extent considered relevant, would be considered in the final findings.
    b. The Authority would conduct an oral hearing in terms of Rule 6(6) of the AD Rules to provide an opportunity to the interested parties to present their views relevant to the subject investigation. The date of the oral hearing would be published on the DGTR website (www.dgtr.gov.in).
    c. The Authority would conduct further verification of the information furnished by the interested parties, to the extent deemed necessary.
    d. The Authority would disclose the essential facts, as per the AD Rules, before issuing the final findings in the subject investigation.

Digitally signed by Amitabh Kumar
Date: 23-09-2026 16:58:59

(Amitabh Kumar)
Designated Authority