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F. No. 6/09/2025 - DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Jeevan Tara Building,
Parliament Street, New Delhi – 110001

Dated: 29th March, 2025

INITIATION NOTIFICATION

CASE No. AD (OD)-09/2025

Subject: Initiation of anti-dumping investigation concerning imports of “Beta Naphthol” originating in or exported from China PR.

1. **F. No. 6/09/2025 -DGTR**: Having regards to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred 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 ‘Rules’), Bodal Chemicals Limited (hereinafter referred to as the ‘applicant’) has filed an application before the Designated Authority (hereinafter referred to as the ‘Authority’), for initiation of an anti-dumping investigation on imports of Beta Naphthol (hereinafter referred to as the ‘product under consideration’ or ‘subject goods’), originating in or exported from China PR (hereinafter referred to as the ‘subject country’).
2. The applicant has alleged that dumping of the product under consideration from the subject country is causing material injury to the domestic industry in the country and has requested for the imposition of anti-dumping duties on the imports of the product under consideration from the subject country.

A. PRODUCT UNDER CONSIDERATION

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

4. The product under consideration has low solubility in water and is highly soluble in alcohol, glycerol, ether and chloroform. The product under consideration is highly reactive and toxic as it has hydroxyl oxide. The melting point of Beta Naphthol is 120-123 degrees, and boiling point is 285 degrees. On being exposed to the air for long duration, the product changes to pink colour, however, such change does not affect the characteristics of the product.

Unit of measurement

5. The product under consideration is sold by weight and therefore, the unit of measurement considered is metric ton (MT) or kilogram (Kg).

Uses

6. The subject goods are primarily used to make dyes, pigments and the intermediates of dyes. It is also used to make fats, oils, insecticides, pharmaceuticals, perfumes, antiseptics, fungicides. It also finds application as antioxidants for rubber; lubrication of steam turbines, electric motors, hydraulic equipment. Other applications include use as additive in electroplating, developer in dyeing and printing of fabrics, in tanneries and in the paints-lacquers-varnishes industry.

Tariff classification

7. The subject goods are classified under the category of organic chemicals under Chapter 29 of Schedule I to the Customs Tariff Act and is classifiable under tariff code 2907 15 20. However, the goods are also being imported under 2907 1510.
8. The parties to the present investigation may provide their comments on the scope of PUC and propose product control numbers (PCN) methodology, if any, within 15 days of circulation of the receipt of intimation of initiation of the investigation.

B. LIKE ARTICLE

9. The applicant has claimed that the subject goods, which have been alleged to be dumped in India, are identical to the goods produced by the domestic industry. There are no known differences in the technical specifications, quality, functions and end use of the two products. The Authority notes that the two are *prima facie* technically and commercially substitutable. Therefore, for the purpose of this investigation, the subject goods produced by the applicant in India are being treated as 'like article' to the subject goods being imported from the subject country.

C. SUBJECT COUNTRY

10. The subject country in the present investigation is **China PR**.

D. PERIOD OF INVESTIGATION (POI)

11. The period of investigation adopted by the Authority is 1st October, 2023 to 30th September, 2024. The injury investigation period shall cover the periods 2021-22, 2022-23, 2023-24 and the period of investigation.

E. DOMESTIC INDUSTRY & STANDING

12. The application has been filed by Bodal Chemicals Limited. It has been submitted in the petition that there are two other domestic producers of the subject goods in India, namely, Eastern Naphtha Chemicals Private Limited and Multi Organics Private Limited. Further, as per the information available on record, the production of the applicant accounts for major proportion of the total domestic production of the like article in India. It is submitted that the applicant is not related to any exporter or producer in the subject country.
13. As per the information submitted by the applicant, it has imported the subject goods from unrelated producer/exporter in China PR. Considering the volume of such imports is not significant, the Authority notes, after due examination that the applicant namely Bodal Chemicals Limited *prima facie* constitute eligible domestic industry within the meaning of Rule 2(b) of the Rules and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

F. BASIS FOR ALLEGED DUMPING

a. Normal value for China PR

14. The applicant has claimed that in terms of Article 15(a) (i) of China's Accession Protocol and Para 7 of Annexure-I to the Anti-Dumping Rules, 1995, the normal value for Chinese producers may be determined based on the cost or domestic selling price prevailing in China PR, only if the responding Chinese producers demonstrate that their cost and price information are based on market driven principles and allow for fair comparison in terms of paras 1 to 6 of Annexure-I to the AD Rules, failing which, normal value for Chinese producers must be determined based on paras 7 and 8 of Annexure-I to the Rules.
15. The applicant has also claimed that the data relating to cost or price in market economy third country or recourse to other alternative methods are not available. The normal value has been, thereby, constructed based on the best estimates of the cost of production of the domestic industry of the subject goods as per the best information available after duly adjusting the selling, general and administrative expenses, with reasonable profits.

b. Export price

16. The export price for the subject goods has been computed based on the DG Systems transaction-wise import data. Appropriate price adjustments have been claimed to make prices at ex-factory levels so that they become comparable with normal value.

c. Dumping margin

17. The normal value and the export price have been compared at the ex-factory level, which *prima facie* shows that the dumping margin is above the *de minimis* level and significant in respect of the product under consideration exported from the subject country. Thus, there is sufficient *prima facie* evidence that the product under consideration from the subject country is being dumped in the domestic market of India by the exporters from the subject country.

G. INJURY AND CAUSAL LINK

18. Information furnished by the applicant has been considered for assessment of injury to the domestic industry on account of dumped imports of the subject goods from the subject country. The price suppression and depression caused by dumped imports have been preventing the applicant from moving its prices to recover the full cost and achieve a reasonable rate of return. The applicant has also claimed that because of price effect of the dumped imports, their performance has deteriorated in respect of cash profit, profits and return on investment etc. There is sufficient *prima facie* evidence that the domestic industry has suffered injury due to dumped imports from the subject country to justify the initiation of the anti-dumping investigation.

H. INITIATION OF ANTI-DUMPING INVESTIGATION

19. On the basis of the duly substantiated written application submitted by the domestic industry, and having reached satisfaction based on the *prima facie* evidence submitted by domestic industry about dumping of subject goods originating in or exported from the subject country, the injury to the domestic industry and the causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the AD Rules, the Authority, hereby, initiates an anti-dumping investigation to determine the existence, degree, and effect of the alleged dumping in respect of the subject goods originating in or exported from the subject country and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

I. PROCEDURE

20. The provisions stipulated in Rule 6 of the AD Rules shall be followed in this investigation.

J. SUBMISSION OF INFORMATION

21. All communication should be sent to the Designated Authority via email at email addresses adv13-dgtr@gov.in , consultant-dgtr@nic.in , dir14-dgtr@gov.in and dd12-dgtr@gov.in. It should be ensured that the narrative part of the submission is in searchable PDF/MS-Word format and data files are in MS-Excel format.
22. The known producers/exporters in the subject country, the government of the subject country through its Embassy in India, the importers and users in India who are known to be associated with the subject goods are being informed separately to enable them to file all the relevant information within the time limits mentioned in this initiation notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority.
23. Any other interested party may also make a submission relevant to the present investigation in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority within the time limits mentioned in this initiation notification.
24. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
25. The interested parties are further advised to keep a regular watch on the official website of the Directorate General of Trade Remedies at www.dgtr.gov.in for any updated information with respect to this investigation. Interested parties are directed to regularly visit the website of DGTR (<https://www.dgtr.gov.in/>) to stay apprised with the further developments in the subject investigation and remain informed regarding notices that may be issued from time to time regarding questionnaire formats, PCN methodology, PCN discussion/meeting schedule, notice of oral hearing, corrigendum, amendment notifications, and other such information.

K. TIME LIMIT

26. Any information relating to the present investigation should be sent to the Designated Authority via email at email addresses adv13-dgtr@gov.in , consultant-dgtr@nic.in , dir14-dgtr@gov.in and dd12-dgtr@gov.in within 30 days from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country as per Rule 6(4) of the AD Rules. If no information is received within the prescribed time limit or the information received is

incomplete, the Authority may record its findings based on the facts available on record and in accordance with the AD Rules.

27. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit as stipulated in this notification.

L. SUBMISSION OF INFORMATION ON CONFIDENTIAL BASIS

28. Any party making confidential submission or providing information on a confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same information in terms of Rule 7(2) of the Rules and in accordance with the relevant trade notices issued by the Authority in this regard. Failure to adhere to the above may lead to rejection of the response/submissions.
29. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire responses, are required to file confidential and non-confidential versions separately.
30. Such submissions must be clearly marked as 'confidential' or 'non-confidential' at the top of each page. Any submission made without such marking shall be treated as 'non-confidential' information by the Authority, and the Authority shall be at liberty to allow other interested parties to inspect such submissions.
31. The confidential version shall contain all information which is, by nature, confidential, and/or other information, which the supplier of such information claims as confidential. For the information that is claimed to be confidential by nature, or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
32. The non-confidential version of the information filed by the interested parties is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (where indexation is not possible) and such information must be appropriately and adequately summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on a confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons containing a sufficient and adequate explanation as to why such summarization is not possible, must be provided to the satisfaction of the Authority.

33. The interested parties can offer their comments on the issues of confidentiality claimed by the other interested parties within 7 days from the date of circulation of the non-confidential version of the documents.
34. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
35. Any submission made without a meaningful non-confidential version thereof or a good cause statement on the confidentiality claim shall not be taken on record by the Authority.

M. INSPECTION OF PUBLIC FILE

36. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions/responses/information to all other interested parties. Failure to circulate non-confidential version of the submissions/responses/information might lead to consideration of an interested party as non-cooperative.

N. NON-COOPERATION

37. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority in this initiation notification, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings based on the facts available and make such recommendations to the Central Government as it deems fit.



(Darpan Jain)

Designated Authority